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CZECHOSLOVAKIA

Workers' Membership Role in CPCZ Examined

24000179 Prague NOVA MYSL in Czech
No 7-8, Jul-Aug 89 pp 24-34

[Article by Miroslav Honzik: "On Current Problems of the Leading Role of the Working Class"]

[Excerpts] The problem of implementing the leading role of the working class forms one of the most difficult questions in the theory and practice of building socialism. The problem, therefore, was rightly brought up in comprehensive terms at every CPCZ [Czechoslovak Communist Party] congress in the post crisis period. For example, in the Political Report of the Central Committee of the CPCZ Congress it states: "The leading role of the working class and its linkage with cooperative agriculture and the intelligentsia were confirmed," and that "among the most urgent tasks of the policies of the Communist Party of Czechoslovakia is the matter of consolidating the leading role of the working class, its alliance with cooperative agriculture, the intelligentsia and other working people."

Looking at the problem superficially it might appear that no substantial uncertainty exists here, especially from the general theoretical viewpoint. This notion seems to be confirmed by the diminishing space which is directly devoted in congress reports to problems of the working class. I believe that this notion is incorrect, that the task of the theoretical front is to continue to work on the problems of the working class, its development, internal composition, its relationship to other important social groups, its leading role, etc. At the same time it is essential to proceed from the ideologically oriented legacy of classic Marxism-Leninism and give general application to the experiences of the communist parties of socialist countries from the development of the working class and the implementation of its leading role.

Let us take, for example, the question of the economic delineation of the working class in the social structure of socialist society. Of the complex of questions associated with the working class this ought to be a relatively simple one. However, we find out that there is no statistical data in the CSSR (likewise in other socialist countries) that would fully correspond to the economic delineation of the working class. In the 1980 census, however, they were more strict and thus to a certain extent also more precise in defining membership in the "working" social group, but new operational delineations in the statistical yearbooks still do not correspond to the requirements of Marxist-Leninist theories.

The more precise criteria for the "worker" social group resulted in an administrative decrease in workers. Whereas the Statistical Yearbook for 1980 records 62.1 percent of all inhabitants as workers, after the census in 1980 this number was more accurately defined as 47.9 percent, the decrease comes to 14.1 percent and does not have an explicitly negative character because it means

that those who absolutely do not belong in the working class are no longer included in its ranks. It is impossible to provide here a detailed analysis of the problem, but it can be said that according to earlier "soft" criteria, included among workers were waiters, barmen, masseurs, models and such. (In the congress report numerical data about the proportion of the working class in the population was last given at the 15th CPCZ Congress in 1976 where it stated that the working class represented over 60 percent of our population.)

Earlier efforts to statistically "produce" the highest possible percentage for the working class were based on the erroneous idea that the leading role of the class can increase only (or chiefly) in connection with its numerical growth. Classic Marxism-Leninism never showed such a connection nor was it explicitly confirmed by experiences of communist parties. In fact, before the Great October Socialist Revolution and for many years afterward, workers in Russia constituted only a small portion of the population. In 1913, for example, members of the working class in Russia numbered about 20 million which was about 14 percent of the population, whereas farmers formed the absolute majority—93 million or 67 percent. Nevertheless, the leading role in the revolutionary movement was asserted by the working class. (One can also mention the example of the bourgeoisie which in today's developed capitalist countries represents 1-5 percent of the population and nevertheless is able to assert its class power position and role.)

So the problem is not absolute or relative numbers of members in the class (though even that is not insignificant), but in the maturity, capacity to act and uniformity of the class, in the practical political activity of their members and in the existence under socialism of a corresponding political system headed by the communist party without which the leading role of the working class could not be realized.

And it is precisely here that a number of questions arise, chiefly the relationship between class and party. If it is true (and experience confirms it) that the leading role of the working class cannot be asserted directly but only through the Marxist-Leninist party, then necessarily there come to the fore claims on the social composition of this party: the communist party must first of all be the party of workers concentrating the best, the most ideologically involved members of the class. But the question arises as to what is specifically meant being above all the workers' party. Must the workers in the party form the majority? And what kind of majority? Should they be the most numerous social group or have a majority of over half? Should the social composition of the party correspond essentially to the social composition of society?

Basic logical considerations show what the class which carries out its leading role primarily through a political party must have a decisive role in that party. It must be emphasized that the leading role of the working class cannot be carried out by some kind of managerial method, that is, in such a way that the working class

would authorize someone to carry out this role, for example, by the party intelligentsia, particularly professionalized party employees (whether elected or members of the party apparatus). Not only would the sense of joint responsibility be lacking here, but most of all the direct influence of the class on its associates and on the masses of other workers without whom socialist society cannot be built successfully.

Definition of the term "decisive role" is very simple in general terms: it is that condition, that system of relationships in the party where communists from the ranks of the working class actually make decisions about party policies, about its strategies, tactics, about assigning leading positions, etc. And in addition, it is essential that members of the working class be represented in the party in sufficient numbers, at least to the extent that they are able to represent workers in all important party offices, beginning with committees of basic organizations through okreses and krajs and up to the central committee.

After overcoming the crisis period and after the exchange of party membership cards in 1970, our party again realized the full extent of this basic premise. The preceding balance sheet was not a very cheerful one: since 1948, with negligible exceptions, the proportion of workers in the membership base kept declining. Whereas in 1948 workers according to current occupations formed 49.1 percent of the membership, already in 1949 their share fell to 39.3 percent and also declined in the ensuing years: in 1958 to 34.9 percent, in 1966 to 32.9 percent and the smallest proportion of workers was recorded in 1972—25 percent. The turnaround began only in 1973 after implementation of the measures passed at the 14th CPCZ Congress. At the 15th CPCZ Congress in 1976 it could justifiably be said that: "It is an important political success that for the first time in 23 years the decline in the number of workers in the party ranks was halted and their proportion in the membership base is again increasing." As of 1 January 1989 the proportion of members of the working class in the membership base of the party was 31.1 percent.

The growth in the proportion of workers in the party was primarily due to systematic orientation toward accepting a higher proportion of workers into the ranks of candidates. The long-term average, from the 14th CPCZ Congress or since 1971, until the present, exceeds 60 percent of workers of the total of all candidates accepted. Nevertheless, the increase of workers in the membership base is about 6 percent: from 25 percent it increased to 31 percent. This is caused by the fact that a considerable part of the workers accepted into the party ranks relatively quickly change their social status: as a consequence of ever-increasing qualifications many of them become part of the intelligentsia social group (if a laborer becomes a foreman, one of the most common occurrences, then he is statistically excluded as a laborer directly in production).

Figures on the proportion of workers directly in production in the membership ranks of the party were practically not published in recent decades and instead, as a rule, the data given combined workers directly in production together with workers on pension. The group thus formed (artificially) represented the largest section of the party's social composition: as of 1 January 1987 it was 44.4 percent as against, for example, intelligentsia, 32.2 percent, members of the JZD [unified agricultural cooperatives] 6 percent and other pensioners 8 percent (minus worker pensioners) and other social groups 9.4 percent.

However, it must be noted that including worker pensioners in the social group of workers does not solve the problem of participation of worker communists in decision making: the main sphere remains material production and in this area naturally only those are active who work in it. These can also assert their political influence at their workplaces. Therefore, the figures on the proportion of workers directly in production in the membership base must be considered as guiding from the viewpoint of assuming a leading role. I believe that a proportion of over 31 percent of workers directly in production in the party membership is a base sufficient for them to be able to play a key role in the party. After all, this proportion represents almost 536,000 workers. It is possible to select from them a sufficient number who will become active members of various party organizations in which the actual decision making process takes place. Under current conditions, when, in line with the process of restructuring party work, the importance and role of the basic organizations are increasing, another broader area is opening up in which an army of over half a million worker-communists can fully assert itself.

The CPCZ is trying to take the path of activating workers in the party especially since the crisis period was overcome. It is important, for instance, that the proportion of workers in party okres and kraj committees and their representation in conferences always be somewhat higher than their proportion in the membership base. [passage omitted] Whereas in the precrisis period and in 1968 the representation of workers in party organizations was relatively low and did not even correspond to their proportion in the membership base, since 1971 there has been a perceptible basic improvement which continues to the present.

Figures show that since the crisis period was overcome the CPCZ has systematically tried to see that workers have higher representation in party okres and kraj organizations than corresponds to their proportion in the membership base.

However, if we compare the current index of the relative representation of workers with the other two main social groups, i.e., cooperative farmers and the intelligentsia, we find that the working class still shows the negative impact of the old social division of labor, physical work vs. mental work, and that in spite of the great strides

made by this class in culture, education and qualifications, in spite of its increasing social and political activity, it is relatively the worst off compared with the other groups mentioned. This is shown in an index comparing the relative representation of workers with JZD members and the intelligentsia carried out for party conferences held in 1986.

In fact, the workers have a relatively favorable representation, higher than their corresponding proportion in the membership base but in all cases the representation is lower than among JZD members and members of the intelligentsia which has the highest index of relative representation (except in okres committees).

If we make a similar comparison in the area of national committees and the highest representative bodies (here the "worker" social group naturally includes CPCZ members as well as noncommunists) we see again that the workers are relatively the worst off. Contrary to the comparisons made in the party, here the fact is that worker representation is always much lower than its proportion in the population so that in the comparison index it is always lower than 1.00 in all cases. [passage omitted]

The process of restructuring assumes the active involvement of all citizens, all classes and social groups of society as was emphasized at the seventh session of the CPCZ Central Committee and then at all ensuing sessions. So it would be wrong, in developing restructuring, to focus only on the problems of the working class. But it would be no less erroneous to underestimate the problem of involving the working class and allow nature to take its course. It is also necessary to reject categorically arguments claiming that putting workers in certain elective offices is less fitting because they are not prepared for it, for example, as deputies in representative bodies from local national committees on up to the Federal Assembly. The fact remains that in the last four elections there were no notable changes in this regard. The proportion of workers among national committee deputies is around 42 percent, in higher representative bodies, however, it is considerably lower (at present, of 350 deputies in the Federal Assembly there are 95 workers or 27.1 percent; in the Czech National Council there are 72 workers out of 200 deputies (36.0 percent) and in the Slovak National Council 49 out of 150 (32.7 percent)).

The absolute number of workers among deputies is, however, not negligible. Nevertheless, as stated before, it does not correspond to their proportion of the population. But we must not overlook the fact that currently the proportion of members of the intelligentsia social group is in fact somewhat higher than official statistics indicate. Part of the intelligentsia in the statistics on representation in elective bodies is included in the group "members of the JZD" (for example, the chairmen of cooperatives, agronomists, stock breeders, economists, etc.) and "others" (these are chiefly staff workers of various organizations and state administrations).

If we consider that the proportion of workers in representative bodies in the last 4 years is not increasing substantially although the problem of their representation is constantly under attention, then the question arises whether it is at all possible and, chiefly, useful, to increase this representation so that it would fully correspond to their proportion in society.

It certainly would not be a problem to achieve, for example, a doubling of the number of workers in the Federal Assembly. There surely could be found another 95 capable candidates to become deputies from among the army of several million Czechoslovak workers. However, if the total number of deputies remained at 350 then the increased number of workers would mean that the representation of the other social groups would suffer as well as the representation of a number of important areas of our social life by deputies who know the given area well. After all, it is practical to have a doctor or nurse elected for the area of health, a teacher for education, a scientist for scientific institutes, an artist for culture and the arts, etc. "Improving" the workers' composition of representative bodies at their expense would not be beneficial.

Increasing the proportion of workers in decision making can be accomplished either by increasing the number of deputies by capable workers without at the same time absolutely reducing the representation of the other social groups, or by taking greater care in preparing worker deputies and intensifying work with them (thus making it possible to overcome the so-called negative impact of the old social division of labor).

The facts emerging from analysis of working class representation, even if they are not to be overestimated, still indicate much, at the very least about the complexity of the problem to obtain conformable representation of workers in decision making. It would be better to take care of it in the party where, after all, only the most conscientious workers, those most active socially and politically, are concentrated, since it would be more difficult in representative bodies where, besides worker members of the CPCZ, there are also a number of noncommunist workers. Here the effect of the old division of labor is most palpable.

There are still other problems coming up, however. The first of these is connected with the defining of the working class and the intelligentsia. It was already stated that exact statistical reports of the working class on the basis of economic relevance to the class simply do not exist. After all, the class is not a statistical or empirical category. Likewise, we lack exact statistics defining the intelligentsia social group. In addition, we must realize not only that the working class and the intelligentsia, especially its technical members, are drawing closer together, but also that certain members of the technical intelligentsia actually meet the economic criteria for the working class. This particularly applies to those who are assigned to the sixth class of the Uniform Classification

of Employment (JKZ)—technical workers (in employment status). As of 31 December 1987 the Statistical Yearbook of the CSSR reported 786,000 of them. Preliminary checks showed that 3 or 4 out of 10 essentially meet the economic criteria for assignment to the working class, that is, they are employed, they participate in the production of material values and they do not manage people. If we were then to add this portion of the economically active population to the working class we would have to correct our statistics in its favor.

But it is not a matter of statistics even though they have their place and can signal various things. The question is primarily that the historic mission of the working class should be effectively realized and its leading role by consistently asserting the leading role of the party, by consolidating its union with all allies and working for their active cooperation. The theory of the historic mission and leading role of its working class indeed was never understood by the founders of Marxism to mean that this class could free itself and thereby also other workers by its endeavors only.

The founders of Marxism scientifically substantiated the objective given fact of its historic mission and the dialectically divisive method of its establishment. After February 1948 the CPCZ more than once pointed out that the objective reasons for the historic mission of the working class continue even under socialism and that our working class, because of its position and thanks to its political activity, will develop the qualities needed to carry out its leading role.

Then especially the 15th CPCZ Congress in 1976 emphasized the growing role of the working class and its party in our society. It pointed out that in the creative activity of the people socialist society has its peculiarly own, constantly renewing resources, and it emphasized the utilization of the huge potential of creative energy, strength and ability which the working class represents, the leading strength of our society. Favorable conditions for developing its political activity and its societal involvement were noted especially in the qualities of the socialist working class which issue from its position in society and are logically linked with the qualities which this class acquired in the struggle against capitalism and for the victory of the socialist revolution. Especially noteworthy is the ability of the working class to overcome all hardships, difficulties and obstacles in the revolutionary process and in building a new society. The working class acquired this ability in the process of changing the "class about itself" to the "class for itself" back in the period of the struggle for the revolutionary restructuring of capitalist society into a socialist one and consolidated it in the process of building the socialist base. Contrary to its allies from other classes and strata (like farmers and intelligentsia) it was precisely the working class that managed to recover most quickly after the heaviest of blows and did not succumb to despondency nor lose sight of its main strategic goals.

It is also important that the working class is capable of uniting the interests of all classes and strata of working people and leading them to carry out the most progressive social ideals. It is precisely the fact that the working class is able to overcome all difficulties, that it is not afraid of hardships and obstacles, that it has the will to overcome them; that enabled it to lead its allies and assert its leading role in society. The working class unites the interests of all people because it does not follow only its own specific goals, the achievement of which would profit its allies only temporarily, but that its interests accord with the interests of other workers.

Among the qualities of the socialist working class is also an enlightened and creative attitude toward work. This quality developed gradually after the victorious socialist revolution during the period of building the foundations of socialism and in the course of future development it will keep on expanding. It emerged first as the reaction to elimination of capitalist production conditions and the establishment of socialist ones. The formation of this quality, however, is not a natural process but is influenced and directed by the communist party.

In the lengthy process of developing from class consciousness into communist ideological involvement, in the process of ever deeper recognition of its historic mission and role in socialist society, the working class consolidated its social responsibility which is so very essential, especially in the present stage of development.

A characteristic feature of the working class is its ability to organize, given the existing organization of modern large scale production. Even in the past it was an essential condition of the successful revolutionary struggle against capitalism and now acts favorably on the other qualities of the working class and helps promote the political ideological influence of the party on the workers. If we consider workers in the large industrial enterprises as the heart of the working class then the situation in the CSSR is favorable, since 1,848,000 workers are employed in these enterprises which is roughly one-fourth of the entire working population. Indeed, with a few negligible exceptions, practically all industrial enterprises in the CSSR can be considered large. Of 884 industrial enterprises only 89 had fewer than 500 workers in 1987 and these employed altogether only 1.5 percent of industrial labor. In contrast, 54 enterprises with more than 5,000 workers contained more than one-fourth of the labor in industry. So the heart of the working class in Czechoslovakia is certainly numerous enough to play the role that devolves on it.

In the course of the struggle by preceding generations the working class was brought up to self sacrifice and collectivism. These qualities under socialism closely depend on the conditions under which the production process takes place as the chief creator of material values. The conditions of the production activity of workers in socialist society directly call for devotion and collectivism. To a certain extent, then, these qualities also become components of qualification. For example, if a

worker in some sector lacks the understanding to fulfill goals even under unusually difficult conditions, if he does not sacrifice his personal convenience for the sake of the collective, in case of need even part of his free time, then he is not fully qualified for the sector where such qualities are required.

The working class also displays the necessary tenacity in the building of socialism. It developed this quality in the process of overcoming all kinds of difficulties in the struggle against capitalism, in the class struggle of the former period and led the workers to the conviction that only he can attain success who does not give up after the first failure.

An important characteristic of the working class is its sense of the new and progressive. This attribute is an essential condition for developing working initiatives of the working class, innovation, inventiveness, for creating its positive relationship to scientific research development, making production more efficient, etc. [passage omitted] But none of these qualities of the working class emerges or strengthens itself or develops all by itself, automatically. Nor do they develop in every worker. It is up to the communist party to create suitable conditions so that the existing "natural" virtues of the working class can be expressed and developed to the fullest extent. This task comes to the fore especially during this time of restructuring all aspects of the life of society and accelerating its development. We certainly cannot manage with the present approach to social and political activation of the working class. And it is not just a matter of activating the working class, as previously noted. After all, there is no doubt that without the active participation of all social groups restructuring is doomed to failure. To be sure, the working class occupies a key position in this universal activation. It would be a political mistake to fail to give proper attention to almost half of all our inhabitants (and 58 percent of the economically active population).

The working class has enormous reserves hidden in it. Discovering them and putting them into motion, that is the prime task of the communist party. But it is not only the task of the party, its offices and organizations, but of all components of the political system, working collectives and management personnel. It should also not be overlooked that a worker who is socially and politically active need not be a member of the CPCZ or any other political party. And it is precisely here that we have a long lasting deficiency. What is lacking might be called a continuity of the generations. The working class generation that triumphed in February 1948 and took part in the years immediately afterward in building socialism has now become old and, with a few small exceptions, is on pension. A large part of it, tens of thousands of the best and ablest workers after February left the ranks of their class and moved into party and state positions, strengthened the activists and staffs of social organizations and national committees, became leading economists,

left for study, etc. This resulted in a certain weakening of the very heart of the class, workers directly in production, especially industry.

The problem of educating a new worker generation was thereby made difficult. Today's young generation now knows about February and the beginnings of building socialism only from history. Their social psychological motivation for working, social and political involvement is naturally on a somewhat different plane than that of members of the older generations. But not essentially on a different plane; after all it is still a matter of building and developing socialist society but different in the sense that a new reality must be taken into consideration. The motivation for involvement should not, for example, be based on trying to persuade young workers that they are better off than their parents and grandparents under capitalism and that therefore they should work well, be enterprising and become involved. We must create conditions in production and in the political system so that workers and other employees are convinced from their own experiences that their activity is useful, that it is beneficial in itself, that through it they can effectively change their positions for the better. After all, the goal of socialist construction is to attain ever higher degrees of meeting the needs of people, developing their personalities, forming better human relations and a higher level of freedom of the individual. I believe that a one-sided emphasis on social interests, especially as opposed to group or individual interests, leads to stifling worker activity. And on the contrary, creating the proper linkage between all levels of interests—social, group, and individual—develops activity.

A worker's, especially a young one's, social and political activity can be built only on the basis of his working activity. If we proceed from the fact that only work, but not any old kind, but honest, efficient work, carried out responsibly and on a high professional level, will ensure the development of society, the increase of its wealth, the satisfaction of all its needs, then we must unconditionally accept as a categorical imperative the requirement that social and political activity of workers should develop chiefly on the basis of their working activity. In other words, a socially and politically involved worker can effectively influence people only if he is primarily a good worker. If this is not so then his activity cannot be beneficial to society. This kind of member of the working class then embodies the contrast between words and deeds. And people are very sensitive to this. If the working activity does not correspond to the social and political involvement in many cases the people might get the impression that involvement might be a coverup for low or poor quality performance. And that may be one of the reasons why they themselves are reluctant to get involved and they show mistrust of people who are involved.

I believe that the way to a higher level of social and political involvement of our working class (and not it alone) will lead, among other things, through the fullest rehabilitation-sensitive work and through the formation

of an economic mechanism that will ensure that such work pays off for the individual, the enterprise and all society. And the restructuring of society, especially restructuring of the economic mechanism, must create the conditions and requisites for it.

POLAND

Parliamentary Representative or Deputy: Identity Crisis Ensues

26000712a Warsaw TYGODNIK SOLIDARNOSC
in Polish No 12, 18 Aug 89 p 6

[Article by Antoni Bielewicz: "Representative or Delegate, or in Search of the Deputy Identity"]

[Text] The essence of the role of senator or deputy is not completely clear either to our society or to the persons sitting on the Sejm benches or in Senate chairs.

The issue is reduced to the question of who the elected deputy is—a representative or a delegate? The difference is fundamental.

A representative has more freedom. He was elected as the proper person competent to make decisions on matters which are the subject of parliamentary debate. He is not bound by any obligations or deputy instructions.

In turn, a delegate is a citizen who has sort of been delegated to the parliament by a particular community (at the place of residence or a professional community), party, or trade union with the assignment to further the interests of his electorate. He is bound by deputy instructions set forth by the community, party, or trade union.

The susceptibility of the deputies to external factors is the weak point of the representative model. It has long been noticed that the attitudes of deputies-representatives are influenced by their sympathies, arguments, pressure brought to bear by the authorities, and corruption.

In turn, the drawback of the delegate model is found in the risk that, under conditions conducive to it, the litany of deputy instructions may turn into a chain which quite effectively constrains the initiative of a deputy.

Under the 1st Republic, the deputy played the role of a delegate who was obligated to strictly comply with small council instructions. This was the fundamental difference between a Polish noble sitting in the Sejm and an Englishman at the proceedings in the House of Commons. As it was, the 16th-century English deputy was a representative despite the duty he had to report on his endeavors to the voters and the fact that his remuneration also depended on the electorate of the district. Obviously, the representative model is more convenient for the deputies and the executive authorities. This may have been the reason for the furious attacks of the communist school against deputy-delegates. Until

recently, the fall of the 1st Republic was portrayed as the result of the class egoism of the nobles, the veto right, and deputy instructions.

A deputy-delegate is more advantageous for the voters because he is subject to their quite strict control.

The development of parliamentarianism definitely went in the direction of the delegate model. At present, the deputies in democratic countries play the role of delegates of individual parties, political organizations, or, less frequently, trade unions, and are bound in their parliamentary work by discipline which is violated by only a few.

The time of senators-fathers of the people has come to an end. At present, a deputy or senator is an official employed by a particular community and burdened by numerous obligations to it. For a long time now, the process of professionalization of this function has been registered in the world. Being a deputy has become a profession with all the consequences thereof.

How Our Society Views the Role of a Deputy

About 45 percent of the voters view deputies as representatives of the entire society whereas 55 percent as delegates of the professional community or the place of residence, or, less frequently, of a party, trade unions, or other organizations. The representative variety of deputies finds more favor with urban dwellers and individuals with higher educational levels. Other factors do not play an essential role in this matter. The results quoted were collected by me in the course of a survey I took between 20 and 24 May of this year among a representative sample of the adult residents of Warsaw and the capital city voivodship. The sample was random and included 1,026 respondents.

How Deputies and Senators View Their Roles

I have not done research on this topic. Therefore, I will proceed from my own observations in trying to respond to this question.

The election law has introduced complete confusion in this matter. The procedure of nominating candidate senators and deputies provided an opportunity both for loose, small groups of citizens and for officially recognized parties, political organizations, trade unions or other organizations. The electoral campaign of the Solidarity Citizens Committee proceeded under the slogans "Vote for Solidarity" and "Vote for the team of Lech Walesa." The picture of a candidate together with Walesa opened the door to the parliament. Some candidates were placed on the Solidarity ticket by specific professional communities (the health care service, large industrial enterprises) or residential communities (this was the background for sharp controversy). In presenting the candidates to the parliament, their association with Solidarity was stressed much more than their competence and personal traits. The course of the election

campaign suggested that the parliamentary fraction of Solidarity was being formed.

At one of the first meetings, the deputies and senators elected on the Solidarity ticket resolved to establish the Citizen's Parliamentary Club. The name Solidarity disappears. The situation is quite curious. Doubts arise. It is unknown whether the OKP [Citizens Parliamentary Club], by obscuring its origins (certainly, in its name), wants not to burden Solidarity with its actions or desires to free itself from the electorate. Just as a point of order, I want to state that both are doomed to failure.

During the presidential debate, OKP Chairman Bronislaw Geremek announced: "We have resolved that the deputies and senators belonging to the Citizens Club are free to take a position in this election, and that they will vote their convictions and their conscience, in keeping with the will of their electorate." Therefore, the Walesa team was disbanded. Disregarding the inner contradiction contained in it (in keeping with their own conscience—in keeping with the will of the electorate) it means that 1) in the OKP, instructions to the deputies apply from which the deputies and senators are exempt in this case, and this should not cause anybody concern, 2) these are not instructions from the voters; this should be worrisome.

Therefore, a situation has emerged whereby, first, the OKP undertakes actions aimed at obscuring its origins (?) while, second, it hands down deputy guidelines which the deputies should keep to, and, third, it admits that these directives do not come from the electorate which elected them.

Therefore, the question comes up: Who actually sets forth these instructions? Whose goals does he have in view?

Thesis

The OKP as an entity and its individual members have a fundamental difficulty with their own identity. This fact is a destructive influence on the work of this body.

One of the OKP senators talked in his speech about the state authorities as something very remote and particularly repulsive and hostile to him. Apparently, he forgot that he himself is a member of the supreme representative body.

The OKP meeting on Wednesday 26 July was symptomatic. If GAZETA WYBORCZA (No 58) is to be believed this was one great row. Everyone was under suspicion: the deputies of preparing to become a part of the government, OKP presidium of manipulation, Walesa of putting together an opposition PRON [Patriotic Movement for National Rebirth] and grooming opposition people from outside the OKP for taking a part in governing, the Solidarity KKW [National Executive Commission] of lacking moderation and common sense, and the electorate of clipping the wings of the OKP.

Also, a general directive for operations was formulated: "We were elected in order to change the system radically. For now (however—added by Antoni Bielecki), we need to do something so that the people could live." (Jacek Kuron) We can infer from this that the author of the statement knows how "to change the system radically," but not quite what to do "so that people can live." This is exactly the essence of the Polish crisis.

At this meeting, a distinction was drawn between the OKP and the KKW. It was verbalized by Jacek Kuron during the proceedings of KKW Solidarity on 29 July in Gdansk: "On trade union issues, the OKP should act in keeping with the recommendations of Solidarity authorities" (GAZETA WYBORCZA, No 60). It was not mentioned who is going to decide which issue is a "union" one and which is not. We may assume that it is going to be the OKP Presidium, and that these are going to be primarily economic issues and, therefore, the most difficult ones. Responsibility for resolving them would devolve on the union rather than the parliamentary club. Therefore, you will have the ministry of debt, and we will have the ministry of welfare. Despite the announcement by Kuron, Deputy Ryszard Bugaj warned that he will not support in the Sejm the draft indexation law as proposed by the KKW Solidarity.

The populace also expresses its desire for its opinions to be taken into account on other issues as well and not only on the proverbial "sausage" issue. Fifty-five percent of the capital city electorate clearly wished that the deputies and senators elected by them would vote during the debate on the president in keeping with the instructions given by the electorate.

Proposal

I propose that the deputies and senators who are united in the OKP view themselves as delegates.

1. They have been elected to play this very role. All of us are aware of the fact that a majority of them do not have the competence of a deputy-representative. Two weeks before the elections, between 4.5 and 17 percent (depending on the name) of the capital city electorate properly identified candidate deputies and senators from Warsaw on the Solidarity ticket.
2. This is how they are regarded by a majority of the electorate.
3. This is in keeping with the Polish parliamentary traditions.
4. This will give the populace a greater influence on the shaping the state policy and will enhance the feeling of participation by the voters.
5. This move will put the OKP in a stronger position with regard to other deputy clubs, organs of power and state administration. Deputy Ryszard Bugaj may be a great economist. However, I am sure that he is not great enough to pursue his own policy in the parliamentary

forum. This remark also applies to the group of deputies and senators who deliberately submitted invalid ballots during the presidential debate thus making the election of Wojciech Jaruzelski possible.

6. This will boost the prestige of every OKP member in the eyes of the leaders of the club.

7. This will reduce to a minimum the risk of alienation of the OKP and the rejection of the OKP by the electorate; this will provide an opportunity to consolidate the populace.

The question remains: Whose delegates will they be?

There are two possibilities: the two Solidarity trade unions or the Solidarity Citizens Committee.

I come out in favor of the first. There are many considerations in favor of this, of which I will quote only one. Solidarity Citizens Committees to which I myself belong remain names without trade marks. In the future, they may become mighty organizations; for now, however, all of it is just in the bud stage.

Lack of Unity in Solidarity, Citizens Committee Examined

26000701 Warsaw PRZEGLAD TYGODNIOWY
in Polish No 34, 20 Aug 89 p 3

[Article by Marek Sarjusz-Wolski: "Movement in the Union: Solidarity No Longer an Umbrella Under Which Everyone Takes Cover"]

[Text] "I will not allow myself to be divided or destroyed!" When sentimental Miss Solidarity went underground one Sunday in December, she carried with her this very slogan coined by her beloved. What was she like before?

The entire 18 months of her life above ground had been filled with disputes over just what she was. The only sure thing was the dictionary definition, which said that "solidarity" meant "mutual assurance," "mutual commitment," "mutual responsibility for one another." And another thing that was certain was the symbol with the banner, dreamed up by a young artist in Gdansk. That symbol attracted many millions and expressed their "No."

"We were united by our protest against the state's treating the citizen like state property," the program drafted at the Gdansk congress said. This was the point of departure, the reference point. But what can anybody do with that in the day-to-day struggle?

"Being a trade union, we have no intention of replacing state authority in its operations, but we want to represent working people's interests to it," the draft had said several months before in the hypotheses proposed as the framework for discussion prior to the congress.

These words came prior to the leaders' escalating statements that they were giving up politics and wanted to concern themselves only in the trade union movement to attend to living conditions. Tactics, or rather a form of mimicry. Justification forced by the situation. But given the situation, any admission of political interest involved the risk of charges that the January agreements were collapsing. The desires of the people who had pinned badges on their lapels as a symbol of hope precluded their confining themselves to the trade union framework. Feverishly seeking formulations which could be the way out of the trap: "At the same time we are not shirking responsibility."

Too little. The authorities on the one hand talking to the Solidarity leaders as though they were a political force, and on the other hand casting thunder. "You are a political party. You are not adhering to your bylaws. You are trying to assume power."

But Solidarity is still not a structure, only a movement. Structures are created, but a movement endures. The people down below push, the people on top try to stop them. A movement is not directed singlehandedly with a single voice, because the very statement that it is interested in dignity could only suffice at the very beginning, from the outset. This is the superstructure, but what about the foundation? For that you have to reform the economy. Full commitment and support. But then the sickle hits a boulder, one overgrown with moss, firmly embedded in the ground. How to reform the economy without touching the political base which gave it its shape? Stalemate. The party will have to be ruptured. This has to happen, so there is no use hiding it:

"We are an organization which brings together the features of a trade union and a great social movement which combines many social currents and people of various convictions."

Black on white. And herein lies the drama, relationships with the outside and the difficulty in controlling the inside. Every row and then a leader swears that we must not divide up into regions and branches. Everything is to depend on unity. But already there are some radicals who are saying increasingly loudly that democracy cannot be replaced with charisma. Somebody is already saying that separate unions should be made for Catholics and leftists. Then there will be two but genuine unity [will exist].

Only one thing is certain. The union's numbers have the greatest influence on both its reverses and its successes. Successes have come most often when immediate goals have been articulated which could unite the vectors of all the forces, all the regional and special group interests which could find no other outlet. Solidarity absorbed all those blocked aspirations, agreeing sometimes for its sign to be used as a substitute.

Charisma comes into play in democratic elections. The left says that it is not the left and does not want to dissociate itself. But everyone knows that if something

can be accomplished, it will be under the sign with the banner. There is longer any time left to change anything.

Frost. Candles in the windows. And everything is clear. So then, us and them. An external attack saves the unity. But what to do? The most important goal is to restore the union's legal status. Dispute over methods. Should a centralized underground state be created? Or could a general strike everywhere take care of everything? Your winter, our spring. No, such a strike cannot be planned. What then, just wait?

There are already regional executive committees and a Temporary National Commission. What can be done? Assess the situation, define the directions of action, publish statements and appeals.

Three parts. On the one hand a conspiracy focused on great politics and mainly the perpetuation and protection of their own structures. On the other, secret plant commissions collecting dues and paying out welfare benefits. In the middle, a crowd of sad people who can no longer wear the emblem. So they pin on their sweater a radio resistor bought at an electronics supply store. They wear the little resistor to show that they do not accept things and that they feel bad.

"Solidarity lives" is spray-painted on the wall. It is no longer even a question of organization or structure. It is nearly a world outlook. Certainly a form of perceiving phenomena and a screen registering morality. The continuity of a tradition and a legend. Each report of another arrest only builds the legend. Times works for the symbol.

But inside there is no monolithic shape anymore, because there can be none. December mitigates the polarization processes. Now there is "Fighting Solidarity," a conspiratorial organization that is decidedly anti-communist. It attaches itself to the radical thread of the fabric that is Solidarity, but it is not interested in union activity, only political activity. On the other hand, there is the "Orange Alternative," which considers every policeman a work of art. Now these are the liberals, the Christian Democrats, the conservatives, and the socialists, who split and multiply faster than Paramecium protozoans. More and more confusion. No way to take it all in. What still unites the whole opposition is the moral spirit of being against the rest. But Solidarity is no longer the umbrella it once was under which everyone took cover.

Nonetheless, the union takes responsibility for last year's strikes, just before the slow crawl towards the round table talks began. The day when this historic piece of furniture at the Namiesnikowski Palace began to be used for its designed purpose it was clear that opposition within the opposition had become a fact.

Union fundamentalists. When the intern camps were eliminated on 23 August 1982, several of those interned did not return home. Among these were Andrzej Gwiazda, Marian Jurczyk, and Jan Rulewski, three

people at the Gdansk congress who ran against Walesa in the election to be chairman. They were taken away. In the papers it said that these people were radicals. Today these radicals have established a sort of confederation in Szczecin called "Agreement on Behalf of Democratic Elections Within Solidarity." The last meeting was in July, with 180 people from 25 towns attending. For them the Solidarity registered on 17 April is a union founded by 50-some people who presented it for registration. The round table people left their roots. The founding document is the union's only legal basis for action. They do not agree with the union's being legalized, because this means for them the sanctioning of an arbitrary decision by the authorities in 1982. It came close to violent political opposition. It finally wound up with working for democratic elections as soon as possible. The elections will resolve things.

The Solidarity central office is trivializing these tendencies, stating, not entirely without reason, that personal ambitions and the outgrowth of them are lurking behind all this, but this cannot be trivialized forever, because people creating the Szczecin alternative cannot be accused of lacking honesty and courage. Their service to the movement is undisputed. That is quite a great deal.

The splintering was most dramatic in Lodz. Part of the union's plant committees affiliated with the "official" Regional Organizing Committee, part joined the alternative Regional Administration, and part seemed disoriented never deciding to join any group. The picture would be incomplete if we were to omit two names: Kostrzewa and Slowik, and the bad blood, stubbornness, and ambition that divide them. When the so-called people at the bottom had finally had enough of all this, they began to organize with a "horizontal structure," which demanded that the quarreling leaders shake hands and calmly wait for the elections. It is not that simple.

"Solidarity 80," Walesa's elite, is the union police. Those of us called the "Social Solidarity Movement" are a stage preliminary to the Congress of Polish Democrats. "Solidarity of Youth" means I am a member of the union but do not identify myself with the citizens' committee. Things become more confusing. The symbol-word in dozens of possible configurations. There will not be the unity of 8 years ago, surely, because what was germinating at that time is now blossoming in a whole range of colors. That is normal. Today the union's problem is simply define itself. What is Solidarity going to be? What should it be?

A paradox. A crushing victory in the elections but only one-quarter the membership of 1981. After 17 April there was no jubilation in the streets. Not all of it can be explained away as fatigue. Fear? After the experience of martial law, certainly. Perhaps distrust, the desire to flee, to check out whether it would pay. Maybe people stopped believing that anything can depend on trade unions.

I do not know. Nobody does. Surely the problem of Solidarity is that the union was organized from the top. The central office was ready and stepped right in to talk with the authorities. Later all the steam went into the elections, and only now the union's time has come. A difficult time. I am not thinking about having to maneuver between the market situation and income. The time is coming when the activists strongly tainted by the stigma of the underground will have to submit to the democratic procedure of public opinion. For veterans who in any situation feel the self-satisfaction that comes from a sense of being an involved victim, it will not be easy, especially since they are aware that those who evidenced little activity will be the ones to make the determination about those who placed themselves in jeopardy and suffered. They will have to share a human sense of satisfaction even with those who did nothing. Up until now they have not had to fight for their support. Now they will.

It may also be that no professional activists will appear who can fulfill the hope placed in them. In years past the union cadre group which made it through the struggles gathering the necessary abilities scattered in three directions. Some became stubborn syndicalists. Others took the winding path of politics. The rest became managers.

In 1981 Solidarity undoubtedly supported with all its power the regenerated enterprise self-governments which formed "Siec." Later the union activists, unable to act openly, placed their names in candidacy for the employee self-government elections, and they usually won. Today they face a dilemma, whether to remain in the self-government or go back to the union. The dilemma is all the more difficult in that the union is no longer a wall behind the self-government, as it was 8 years ago.

This is a basic difference which is easy to notice. At that time everything took place under union auspices. Today things are happening around it, and Solidarity itself is only a pillar of a movement which is multifunctional and structured in the form of a coalition. So then should the old structure be steadfastly rebuilt or should a new entity be created? Again things look different from the top than from the bottom. The situation at the state level has changed drastically, and there is no need to justify the fact, but in the factories things are just as they always were.

The conflict along KKW-Citizens' [National Executive Committee] Committee lines has highlighted the dramatic nature of a situation where everyone is theoretically interested in the same thing but the conflict over the method may assume primary significance. The conflict also reveals the confusion over concepts surrounding that symbol with the banner.

The union central office thinks that it has put Solidarity's stamp on the committees for them to do concrete work. The work was accomplished, everyone was thanked, and that is all there is to it. The union must look

out for the purity of structures. It does not wish to have competition or diarchy. The committees were nonstatutory bodies with an unclear manner of enlisting members and with unclear jurisdiction. There is the fear that the symbol may be misused and therefore must be ended.

Outrage. We managed to organize so quickly, and this potential for human activity is to all be for nothing? Walesa has the same right to the word "Solidarity" as Kowalski, Malinowski, or Nowak. Let the committees be a PRON [Patriotic Movement for National Rebirth] opposition or democratic forum serving to support currents of the opposition. Let them be the nucleus of the struggle for genuine regional self-government. Can this be done without a symbol?

Sooner or later this had to come out. This need not immediately be called a split into working-class Solidarity and committees of the intelligentsia. In the usual way, various fields of activity which perhaps cannot remain under the same banner. And is there such a need? Is there any such thing as a Solidarity ideology? There is a clear Catholic mark, but one hears assurances on all sides that Solidarity is not a religious organization. You can look for the preponderance of Social Democratic elements, especially since the Christian Democrats went their own way. But these are only theoretical solutions, which will not have a bearing on the union's future.

One thing is sure. There can be no repetition of the era in which there was a single great community and everyone in it had the sense of personal participation. This feeling of ecstasy cannot be evoked on command. Pragmatism will be the decisive thing. It will determine whether Solidarity will be one of the trade unions or a general confederation for reform.

It seems unlikely that we will see unadulterated union structures which will defend employee rights with no interest in anything else. On the other hand, it is also unlikely that we shall see a repetition of the situation in which the union will be on one side and "Lech's team" will be on the other, but whatever we say about him, the union's leader today is a political figure through and through, and it is difficult to imagine his restricting himself to a purely syndicalist framework.

Authority is unshakable, but of its very nature this is a phenomenon which is difficult to measure. Meanwhile, the so-called ordinary person, although influenced by authority, understands less and less of the game it is playing. Therefore the malcontents' slogans like "Walesa's elite" and "the union policeman" may fall unexpectedly on fertile ground. This applies especially to young people, who clearly consider Solidarity to have become a movement of their parents. It seems to the firebrands at Saint Brigid's in Gdansk as though they are carrying on with what happened there 19 years ago, 9 years ago, and more recently, but the union is not supporting them and does not want to defend them. The union has grown up and become more serious and responsible.

After all that has been said here, only one thing is certain: Solidarity is necessary. It is socially necessary, but it is also politically necessary. It did not allow itself to be destroyed, but in the new situation the compulsive adherence to the dogma of unity is rapidly proving to be a principle that is both beautiful and unlikely. Will there be a dispute over the author's right to the symbol? No, not unless somebody wants to draw the line where Solidarity ends. Then we will see how difficult it is to inventory the moral spirit of the opposition.

PZPR Dominance in Small, Midsize People's Councils Noted

26000709 Warsaw *TYGODNIK SOLIDARNOSC*
in Polish No 13, 25 Aug 89 p 9

[Article by Jerzy Kalwak: "In Poland of the Small Cities"]

[Text]

The Steps

The map graphs published in *GAZETA WYBORCZA* and *TYGODNIK SOLIDARNOSC* portraying the breakdown of Poles voting in the Sejm and Senate elections permit the conclusion that the greatest percentage of voters came from those voivodships whose capitals are large cities with a strong working class and independent intelligentsia of artists and artisans working in free crafts and trades. After all, this is how it has always been. Back in 1980 Solidarity was the strongest in the large urban centers. The case has been and is that out in the local areas the situation is unpromising, particularly in the small and medium-size towns far from the large urban centers and those without any long-term working-class traditions. In such towns the Solidarity movement hardly extends beyond plant walls, and the citizens committees have minimal striking force and limited independence. It is exceptionally difficult there to enter into publishing, an activity which naturally broadens the circle of people interested in public activity and emboldens advocates of Solidarity to present their stand openly. It is also difficult for a small group of activists to set up any properly advertized public performance or presentation with the participation of a responsible personality from the upper reaches of Solidarity. In the small and medium-size towns, the citizens committees have found themselves on the fringes of major events in public life, and this must be counted as a tremendous loss for the opposition party, because in this way the area controlled by the Solidarity opposition is reduced.

This undoubtedly has an impact on the hegemony the PZPR [Polish United Workers Party] has in the small towns, although this hegemony is no longer so flourishing as it once was. In this regard the village is often in a better situation. It traditionally maintains greater independence. In a small town an attempt to undertake open public activity in opposition to local authority or of on

behalf of Solidarity meets not only with formal barriers, which have recently come to be of less significance, but above all barriers of a psychological nature, which are difficult to remove. More forcefully than in the large cities, there are expressions of the Stalinist prejudice in favor of the ruling group's monopoly on truth and reason. This means that any opinion not consistent with the PZPR and its subordinate government administrative offices is still condemned a priori to be classified unequivocally as some sort of voice of "the enemy of the people." Even if one were to assume as an hypothesis that the activity of progovernment political organizations like SD [Democratic Party], ZSL [United Peasant Party], ZSMP [Union of Socialist Polish Youth], PRON [Patriotic Movement for National Rebirth], ZMW [Rural Youth Union], or the Polish Ecological Club is assured independence by law and custom, nonetheless, the last word, and hence veto power, belongs to the political leader, that is, the PZPR.

In practice, this happens in such a way that all proposals concerning the problems of the towns and ways to resolve them formulated outside the PZPR and "permitted" through its "filters" are either made public (under the banner of a "coalition") or are not made public, and, of course, the authors of the proposals have to agree to this. I know of a case where a certain politically developed local SD activist who had openly waged a struggle on behalf of environmental issues was rather effectively "hushed up" by means of the security forces, to the extent that he lost in the Sejm election, although he theoretically ought to have the greatest opportunity of winning the election running against the other two local candidates from the same town. Unfortunately, he hardly had any election campaign at all. His picture and considerable contributions as an incumbent council member did not appear on signs or posters, but the bill posts displayed several different colored posters featuring the other two candidates.

The town people's councils and all their agencies, which are entirely dominated by the PZPR, represent one of these PZPR "filters." The system of telephone availability and interrelationships is another very important one. In practice, everything which appears as an idea, proposal, or program must be approved. This applies not only to the "partner" political organizations, but also all institutions of public and economic life in a given town.

Therefore, any public statement of even the most "constructive" view without prior PZPR approval must be considered a violation of the status quo, the constitution, and the regime, and be treated as an offense against the authorities.

Another difficulty impeding the undertaking of open, uncompromised endeavors in small and medium-sized towns is the mechanism of profound conformism. It is greatly bolstered here owing to filling positions predominantly through "nomenklatura," or patronage, not only for managerial positions but also all those related to any sort of additional benefits, such as easier access to

material goods or trips abroad. In a small town the patronage system actually expands the realm of public life beyond what we usually consider possible. In a large town a highly qualified electrical engineer, art historian, or blue-collar worker in a narrow specialty has a chance of finding a job in one plant after being let go from another, but here, once fired, the person may not be able to find a job for several years. Moreover, he cannot count on much help on his behalf from either the pressure elements of the local Solidarity or from a sympathetic person highly placed in the local hierarchy, because everyone is afraid of the same fate and prefers to remain silent. The case of B. Narozny from Wrzesnia is a perfect example. He was let go for "standing up" to the director and had no job for several years. Even once the justice of his position was upheld years later, he could not return to his old place of employment. In a new one offered to him instead after an expose on the television and in the press, "somebody" came at night before he began work and ransacked the desks of Narozny's future office mates. The response was immediate: Nobody wanted him in the department anymore. After all, everybody hides in his desk the office secrets he would rather not share with anyone.

If you take into account the fact that replacing members of the elite, especially local groups, must take much more time, nonconformists must seem like outsiders and conformistically set in civic life as people deprived of any instinct of self-preservation, if not absolutely stupid or suicidal. The matter is all the more complicated in that a person or group of people wishing to undertake open political activity or independent organizing activity in their own area has practically no supporting force above the local level which might give them legal or practical assistance. And after all they could become centers for dispersed actions of the independent Solidarity plant committees, which are not too strong yet. Fears of Solidarity's participation in the working community in the plants and in the intelligentsia on citizens committees, especially in the case of small local communities, are misguided and unjustified. There is a basic relationship between plant workers and the PZPR which runs beyond the existing political divisions and creates an actual political system, which can be described as follows: The workers (and also the plant bureaucracy) do not protest loudly when the PZPR appeals to defending their interests as their ideology, but the PZPR expresses its debt by forcing enterprise directors to grant wage and other concessions when there is conflict, and then, for example, by facilitating raises applying to them too. It is no secret that this is a very convenient arrangement for the many employed people who think in terms of their own interest above all, and this is a considerable share of the members of society who work.

Anyone wanting to change it runs into opposition and even prejudice from this basically parasitical group that has created the present system. In the end the hellish vision of unemployment as a result of the reform is skillfully popularized by the propaganda and painted in

dark colors. After all, this is not an entirely unrealistic or unlikely vision. This makes it possible for the communists to appear as "defenders of the oppressed," and as a result leads to a strengthening of the unfortunately illusory inclination of the working masses to treat the party committee as an institution which will surely help the poor or downtrodden find housing or a place at the preschool.

It is especially in the small communities which are heavily influenced by inertia and conformism that the PZPR is interested in seeing that a weak economy is maintained. The endless difficulties, the shortage of apartments, and defective retail trade and services insure the party machinery of absolutely unlimited power. If some enterprise happens to be in a good financial situation, the PZPR power there loses its significance and is reduced to ritual behavior.

The PZPR and the lower level party machinery in particular cannot be counted upon to give up easily the position they hold or to recognize its behavior as suicidal for the interests of the country and the rest of the citizenry. It is therefore difficult to view optimistically the attempts at reform being made by independent citizen groups trying even to set up self-government structures. The greater penetrating force will be wielded by the person who can earn several thousand more even today, not just in a few years, by creating companies within a mother plant. And who know whether this will not be at the price of the temporary loss of social security?

Solidarity must therefore go to the trouble of changing the above-mentioned way of thinking of large groups of the population and undertake to make them aware of how rough the system is, but more effort and energy should be directed to the small towns, where the Stalinist order has put down its roots deepest. This is the very task for local citizen committees, who deserve professional help and support. We have now begun to climb the stairs, after having made a successful opening.

Lodz Citizens' Agreement: More Regional Representation Sought

26000706 Warsaw TYGODNIK SOLIDARNOSC
in Polish No 13, 25 Aug 89 p 12

[Article by Krzysztof Kocel: "Lodz Citizens' Agreement"]

[Text] The time for local initiatives is approaching. For the present, no one knows which way the shortest and least bumpy road to a true self-government, that is, representative and 100-percent democratically elected, leads. What role should the union play here, the one by which the Voivodship "Solidarity" Citizens Committees, along with the committee under Lech Walesa, were appointed by in its time? What should those do, who, through no fault of their own, found all the seats already taken in the citizens committees, such as earlier, at the Round Table? Ultimately, they are also the ones whose

history began before the emergence of the committees under Solidarity, and who, by no means negating the union's role, also emphasize their own right to participate in public life. When on top of all this we lay the already ancient distastes, having their roots in the distant past, between certain political formations, and also the personal "sympathies" of the leaders, we obtain a sad image of chaos, from which a new order is to emerge shortly.

As if all this wasn't enough, Lodz treated itself to yet another problem, namely, an unfortunate conflict in Solidarity. The effects that it has on the entire social life of millions of urban centers are extremely painful. Every initiative of neutral parties is perceived by the arguing sides as proof of the opponent's machinations. Although I am itching to speak, I do not intend to express my opinion on this subject, since even the most innocent expressions may appear to fan the flame, which even without that, burns intensively and never intends to go out.

However, it is worth showing how they cope with this unusually difficult situation, they who do not take sides in the said quarrel, but wish to concentrate their efforts on activities on behalf of the city and region, avoiding as much as possible the reefs in the form of distrust, distaste, or open hostility towards one side or the other. Since 5 March, the Lodz Citizens' Agreement [LPO] has been in effect in Lodz. It was created at the initiative of the Catholic Intelligentsia Club as a plane [of discussion] allowing expression of opinion in the most critical matters for the city and region. As the Regulations proclaim, the goal of the LPO is: to create a regional representation of ideological trends and political and professional groups, as well as to cooperate with other citizens' initiatives with similar goals.

Participating in the LPO projects are political, social, and economic groups from the Lodz area. LPO participants with full rights are: the Christian-Democratic Political Club im. Stefan Kaczorowski, KIK [Club of Catholic Intellectuals], Writers' Club of the Ministry of Creative Circles, Founding Committee of the NSZZ Solidarity of Lodz University (neutral towards dispute in the region, and thereby experiencing increasingly greater impact), Confederation for an Independent Poland (Region III), Lodz Economic Society, Independence Movement of National Army Combatants, NSZZ Solidarity of Individual Farmers, Polish Greens Party, Regional Council of the Education and Training Section of the NSZZ Solidarity (Regional Administration), Young Poland Movement, Free Democrats Movement, Public Committee for the Memory of Jozef Pilsudski, Association of Art Historians, Association of Polish Journalists (Lodz Administration), Society of Friends of "Abstinence and Work," and Academic Union "Civitas Academica." In spite of its attendance at the the first founder's session, the Regional Organization Commission of the NSZZ Solidarity did not join, but after some consideration, the Regional Administration of Solidarity joined the LPO. The Regional Administration's joining

was gladly accepted, but, as one may surmise, it did not simplify the situation of the LPO with regard to the RKO [Regional Organization Commission].

Among the groups that declared a desire to have observer status are: the Association of Polish Attorneys, District Workers' Committee of the Polish Socialist Party, Peoples' Action, Union of Polish Artists of Fine Arts, and Independent Students' Union. The LPO is open in nature and may accept other groups to its membership. As before, there is also a structure that is formalized to a small degree.

Indeed, the Regulations describe how new participants are accepted, but does not provide for the functions of a permanent chairman. Each session is chaired by a representative of another group (in alphabetical order), and his obligations as chairman end the moment the next session begins. The basis of passing resolutions is consensus; only when it cannot be reached, the regulations stipulate the necessity of obtaining two-thirds of the votes. Those who will be voted down have the right to state their position. Each circle, represented by two full-power representatives, has a single vote.

As it is not difficult to surmise, elections were the topic that recently absorbed the LPO participants. It is worth elucidating somewhat more precisely the LPO's attitude towards the elections and the manner of cooperation with Solidarity, since it was not always and not by all properly comprehended; an example of this is even the information in the April issue of "Characteristics of National News" (information sources for the "Solidarity" Citizens Committee), located on page 14. It says that there were created in Lodz "two election centers: the 'Solidarity' Citizens Committee and the Lodz Citizens' Agreement (mainly the KIK). Finally, a single list of candidates was put up, but the Lodz Citizens' Agreement was not dissolved."

First of all, it should be emphasized that the LPO was by no means created as an election committee, although the question of elections was recognized as a problem that should be of primary interest. The question of calling such a committee was under consideration, but no decisions were made while awaiting Solidarity's decision. Even after the first meeting of the "Solidarity" Citizens Committee in Lodz, to which the LPO was not invited, in spite of the increasingly more numerous votes to call a proper election committee, such a step was not taken. After difficult discussions, to which the RKO came with representatives, and during which a joint list of candidates was discussed, part of the groups making up the LPO stopped joining in the work of the Voivodship "Solidarity" Citizens Committee in Lodz. Thus, there was no reason to treat the LPO as a rival election committee to the WKO [Voivodship Citizens Committee] and to expect its dissolution after calling into existence the Voivodship "Solidarity" Citizens Committee.

There is also no reason to expect dissolution of the Lodz Citizens' Agreement just because elections have already ended. Fortunately for it, the LPO was not called into existence by anyone, but was created by itself, and only it can decide to end its activity. For the present, nothing of the kind is likely; on the contrary, now the time is just coming for reflecting on what to do and how to go about doing it.

Agreement prevails among the LPO participants that the first task is to build a local self-government. This requires new, competent people, capable of fulfilling functions in regional organs of authority and state administration. Since we do not have a surplus of them, it is necessary to prepare future cadres. We should also examine how the round table resolutions are executed, whose enforcement depends on local authorities, etc. The next session, which is being prepared by the Lodz Economic Society, will be devoted to the problem of local economics, examined in detail through the prism of the round table resolutions. Thus, it may be expected that the main thrust of operations will be shifted from immediate questions, which prevailed until now (resolutions in the union with the refusal to register the Independent Students' Union, on the issue of events in China, and a resolution supporting the initiative of a group of professional organizations of Solidarity aiming at averting conflict in the union), to matters which cannot be settled by a single short resolution, and which require the arduous work of experts. Time will tell whether we manage it. No one will help us with this if we do not help ourselves.

Reanimated Polish Peasant Party Seeks Countryside Coalition

26000722 Warsaw *PRAWO I ZYCIE* in Polish
No 36, 9 Sep 89 pp 6-7

[Article by Piotr Ambroziewicz: "Peasant, but not United; The Schism in the Polish Peasant Movement Has Become a Fact." Please note: This is not the party Polish Peasant Party-Solidarity (PPP) announced by Jozef Slisz on 20 Sep—Ed. note.]

[Text] The word itself, "schism," has a pejorative connotation, particularly as regards such situations. Or rather, it used to have one, because nowadays we do not think it proper to desperately adhere to a fictitious principle of a fictitious unity. Besides, within the PSL [Polish Peasant Party]—a party which may grow into a serious competitor of the ZSL [United Peasant Party]—itself, there is no unity either. It is still a nascent party that has not grown a new skin yet, but it already faces the danger of disintegrating into factions, cabals, and wings.

The genesis of the reanimation of the Polish Peasant Party consists of three main elements. First, of course, there is the [glasnost-related] possibility of reestablishing it. Second, there is the return to traditions. In the immediate postwar years the PSL used to be clearly the strongest political party. Let us not pour salt onto

wounds, but still there is the suspicion, one that verges on certainty, that the elections of 1947, which made of the workers' party the leading party, had been falsified or, at any rate, "corrected" here and there. The leader of the PSL (formally only its vice chairman) Stanislaw Mikolajczyk had to save himself by escaping to the West in the trunk of a diplomatic limousine. Third and last, a major role is played by the discontent with the United Peasant Party, which in theory was to be the successor of the PSL. This discontent and the feeling of something being amiss are palpable even now, although the ZSL has resolved, in view of criticisms of its subservience to the leading force [the PZPR-Polish United Workers Party], to abandon the dominant partner [the PZPR] in the ruling coalition and switch, together with the Democratic Party, to the alliance proposed by Lech Walesa. And the ZSL Caucus of Sejm Deputies is distinguished by its activism in the Sejm.

The Date of the Rebirth

...of the Polish Peasant Party should be taken as 15 August 1989, when the former commander of the Peasant Battalions, Brig Gen Franciszek Kaminski addressed the following appeal to "Brothers Peasants":

"Prompted by a deep concern for the future of our Homeland, I turn to you with an appeal for your active participation in the process of the rebirth of our national life and elimination from that life of distortions caused by irresponsible communist rule. This is demanded of you for the good of Poland, for the good of the Polish nation and countryside...Nowadays throughout the country, and not only within the peasant movement, demands for reactivating the PSL are being made...Together with surviving PSL activists, 'Wici' members, and the veterans of the Peasant Battalions, we resolved to designate the date of 15 August 1989 as the beginning of the renewal of PSL activities...."

The PSL had originally been formed in August 1945 and soon its membership swelled to 1,200,000, including activists of the prewar Peasant Party headed by Wincenty Witos, the "Wici" Rural Youth Union, the "Roch" Peasant Party, and the Peasant Battalions. The subsequent fate of the PSL is known, though perhaps not completely. It was marked by dozens of thousands of arrests, imprisonments, verdicts, and not infrequently, tortures as well. Let us add that on 30 August 1989, upon a review by the Prosecutor General, the Supreme Court has rehabilitated and exonerated a group of ZSL activists who had been sentenced in 1947 in trials based on the so-called Small Penal Code (see p 10 of this issue).

Admittedly, Polish Peasant Party activists have fairly often been inclined toward the political right. Nowadays PSL leaders are saying that they do not want their party to become a class party in the Marxist meaning of the term. They want their party to be open to not only hereditary farmers but also the rural intelligentsia: teachers, physicians, veterinary physicians, zoo technicians.

Varied groupings initiating anew the activities of the PSL have now arisen. Stanislaw Laskowski, vice chairman of the Presidium of the Provisional Executive Committee of the PSL (such a body has been formed, and Gen Franciszek Kaminski became its chairman) does not even know the exact number of these groupings, but he voices his belief that they will aspire toward unity, and the Provisional Committee's program provides for measures to promote such unification.

The Committee has issued the "Declaration on the Reestablishment of the Polish Peasant Party," which states:

"The PSL intends to be a national party, but its interests focus on agriculture and the countryside...The most urgent task of the PSL is to bring about such changes in the system of society as would turn Poland into a completely sovereign state, one based on checks and balances among autonomous and separated legislative, executive, and judicial powers, as well as on making independent peasant farms the foundation of the agricultural system and enabling peasants to work out their own concept of rural and agricultural development...."

But even earlier, on 25 June 1989, a convention of not so much the PSL (since it had not yet existed then) as the "independent peasant movement" had been held in Warsaw. Delegates from 10 voivodships elected...the Provisional National Council and its chairman, Jozef Teliga. The convention expressed its dismay over the lack of coordination of the activities intended to reestablish the PSL. Provisional PSL committees are spontaneously arising in many rural townships and towns.

The United Peasant Party Reacts Calmly,

...even though it is frequently the subject of attacks. Sometimes even members of the ZSL themselves are reanimating "Mikolajczyk's party." Three ZSL branches in the Nation's Capital, at the University of Warsaw, the Main School of Agriculture, and the Main School of Planning and Statistics, have referred to the ZSL as a "nonviable" peasant party. They argue that its lack of autonomy prevents it from protecting the interests of peasants effectively. These branches have formed the National Committee for the Rebirth of the Peasant Movement. "The movement thus formed has the paramount goal of turning the ZSL into a modern peasant party that is solidly rooted in historical traditions."

So then, will it be the ZSL after all? No, it will be the PSL, because "historic justice demands that such a party bear the historic name of the Polish Peasant Party."

Then also there is the declaration by a group of old PSL members associated in the Convention of PSL Seniors. "The stopping of the activities of the Polish Peasant Party was traumatic to not only the peasant movement but also the entire nation...The United Peasant Party [ZSL] did not and does not, whether ideologically, politically, or economically, represent a continuation of the independent peasant movement."

In the meantime, the United Peasant Party is preparing to hold its own congress. Or perhaps a unity congress? Such is one option of the leaders of that party. Deliberations of the "green round table" [green being the color of the peasant movement] are currently under way in the absence of the publicity that had surrounded the "round table" deliberations [between Solidarity and the PZPR]. *DZIENNIK LUDOWY*, an organ of the ZSL, has published an interview with Aleksander Bentkowski, the chairman of the ZSL Caucus of Sejm Deputies, from which the following passage is cited below:

[*DZIENNIK LUDOWY*] The peasant "green round table" has already met three times. In what direction are its deliberations proceeding?

[Bentkowski] In the direction of a congress of the peasant movement which will unite all the factions of the movement, that is, the PSL, the ZSL, the peasant members of Solidarity, the Rural Youth Union, and the Civic Committee for the Rebirth of the Peasant Movement. Everyone is speaking about the need for unity, and everyone is emphasizing it, but determining the proportions in which each of these groupings is to be represented at that congress already is a controversial and troublesome issue. This also applies to the question of the membership of the congress organizing commission.

But let us hope that at the next meeting of the "green round table" the groupings represented will be more united. I refer here to the PSL, which still is somewhat disunited, being represented by two different groups. One, called the Wilanow Group, because it was formed on 15 August 1989 in Wilanow and is supported by the former commander in chief of the Peasant Battalion, Gen Franciszek Kaminski, and the other is the group of Col Bak, Teliga, and Werdynski. I have appealed for the PSL to be represented by a single grouping. I do not know whether my appeal will succeed, but this may happen already at the next meeting of the peasant "round table."

[*DZIENNIK LUDOWY*] Have representatives of the groups you named been taking part in all the meetings so far?

[Bentkowski] Yes, except that some still took part in the capacity of observers, but I think that at the next meeting everyone will attend in the capacity of participants in the peasant "green table."

[*DZIENNIK LUDOWY*] When is that congress scheduled to occur?

[Bentkowski] One proposal, a quite realistic one, was that it should take place on the next anniversary of the Polish Peasant Party, that is, between 21 and 23 January 1990. We already resolved to form a congress organizing commission at the next meeting of our "green table."

Slowly, we are reaching certain decisions as to the representation of various groupings at the coming congress and the formation of the congress commission. At

our next meeting, working groups to draft the statute, declaration, and program of the future peasant party will be formed.

In the same issue of this periodical, in an interview bearing the symptomatic title "We Have the Right and the Right Man," Jan Czaja, vice chairman of the Sejm's Foreign Affairs Commission, is proposing Roman Malinowski, chairman of the ZSL Supreme Committee, for the post of minister of foreign affairs.

The next meeting of the "green table" will be held within 2-3 weeks, by then with the participation of PSL representatives. Representatives of the Rural Youth Union [ZMW] also are expected to participate. As for the participation of ZSMP [Union of Polish Socialist Youth] delegates, the third meeting of the "round table" could not reach a consensus on it. The relevance of their presence, like that of the presence of representatives of the Association of Farmers, Agricultural Circles, and Agricultural Organizations, was questioned. ZSMP members claimed that they represent 12,000 peasants who belong to the ZSMP, and who also desire changes within the movement. However, in order not to hamper the discussion owing to their presence, they left the room.

Thus, the situation within the peasant movement is, like everywhere else, complicated. The ZSL is defending itself, having recently published a document relating to the discussion of its new program, namely,

'The 22 Theses'

In that document we read, "We deem necessary a total and rapid abandonment of the ('self-anointed') monopoly position of the communist party, along with an immediate transition to a genuine coalition rule and subsequently toward the exercise of political power on the basis of fully democratic elections and interparty program alliances."

While the so-called unification itself has been branded for more than 40 years by PSL members as not unification but rape, the scholarly conference organized by the ZSL Supreme Committee not only does not deny this but also acknowledges the PSL to have been the party genuinely representing the peasants in the immediate postwar period, and it acknowledges Stanislaw Mikolajczyk to have been its leader. As they say, the real PSL has been the briefly "reborn PSL as well as the [prewar] Peasant Party." In the discussions, rank-and-file ZSL members as well as ZSL deputies to the Sejm have been voicing their opinions more sharply than the ZSL's leadership itself, but regardless of the further course of events, there can hardly be any doubts left as to the historical roots themselves of the peasant movement.

Does this harbor any consequences to this country, to the society? Possibly. A formal split of the movement into two or more parties may result in, say, future divergences in joining the coalition, and this in its turn may become the mite that just tips the scales of parliamentary

majority. On the other hand, a genuinely unified peasant movement could become the leading political party in Poland, though certainly not in the immediate or very near future.

Town dwellers have fears which are hardly unjustified in view of what is happening on the food market. Namely, one possibility may be that the peasant parties, attempting to promote the interests of their supporters, will compete in jacking up the food prices. An equally likely outcome may follow if the peasant movement becomes united and turns into a force dictating terms to the cities.

The practically constant shortages of meat may conclusively destroy the worker-peasant alliance.

'Association of Free Speech' Publishes Declaration

26000712b Warsaw *TYGODNIK SOLIDARNOSC*
in Polish No 11, 11 Aug 89 p 15

["Declaration of Organizational Committee of the Free Speech Association," dated 30 July 1989 in Warsaw]

[Text] 1. The Free Speech Association is to serve all readers who want to participate in the circulation [of information] without censorship.

2. Only publications not submitted to the censorship office will be disseminated through the chain of Uncensored Book Clubs.

3. There are no restrictions as to the number of books or magazines or the kind of a publishing establishment which disseminates them.

4. Until the constituent meeting is held, the provisional organizational structure of the association consists of the Organizational Committee set up by a declaration of the Consortium of Independent Publishers. It comprises the publishing houses CDN, IWA, Mysl Nowa [New Thought], Oficyna Literacka [Literary Publishing House], Pokolenie [Generation], PoMost [Bridge], Przedswit [Harbinger], and Wola [Freedom].

5. The secretariat of the Free Speech Association is an information bureau which promotes contacts between the readers and the publishers. The secretariat in Warsaw is open every Tuesday, Wednesday, and Thursday between 1100 and 1400 hours, at Rakowiecka Street 22a Apartment 7, telephone number 49-48-96.

6. Drafts of the Charter of the Association of Free Speech will be published in bulletins sent out by the companies distributing their books and the clubs interested in determining the format of activities of the association.

7. Before the end of October, the Organizational Committee will convene the constituent meeting in which representatives of every independent publisher may participate, as well as representatives of every club registered at the secretariat which has no fewer than 20

members. Such clubs and publishers may send one representative each. The secretariat will facilitate contacts among smaller clubs and individuals interested in participating in the constituent meeting.

[signed] Organizational Committee of the Free Speech Association
Warsaw, 30 July 1989

YUGOSLAVIA

Reasons for Prosecution of Opacic Reviewed

28000179 Zagreb VJESNIK in Serbo-Croatian
3 Nov 89 p 4

[Article by Djordje Licina: "Indictment in Petty Politicians' Encirclement"]

[Text] The name of Josip Opacic, a 44-year-old economist employed at Agroprom in Knin, and the untried chairman of the Serbian cultural society Zora, is almost inescapable in the crossword puzzle of the latest political events in the three-border area. Since the celebration of the 600th anniversary of the Battle of Kosovo, and especially since his arrest, most of the news media of the Serbian SR [Socialist Republic] have made Opacic into a media star, an "urbi et orbi" political martyr, a man whose head has been put on the block in Croatia just because he is of Serbian nationality, condemning and issuing threatening ultimatums in the name of some new truth and some new people. In doing so they are forgetting some elementary prerequisites of a law-governed state—the legal standards are the same for everyone, and thus for Josip Opacic as well. Let us leave it up to the competent judicial bodies to drive the truth out into the open, as they have done to date.

And why has Jovo Opacic really come to trial? First of all, on 8 July in Kistanje, at the NK Bukovic playing field, he arranged a public gathering, contrary to the Law on Public Gatherings, without first reporting it to the opstina SUP [Secretariat for Internal Affairs] in Knin. The next day, in the early afternoon, he caused an incident near the Lazarica church in Kosovo; willfully, with the support of a group of citizens and without permission from the organizers of the event, he went onto the stage, intending to make a speech. The planned cultural and artistic program was interrupted because of all this, and Opacic, despite several calls from the official master of ceremonies, refused to leave the stage. When one of those present wanted to prevent him from reading his previously prepared speech, stones and gravel began to fall upon the stage, and the cultural/artistic program had to be halted.

Three Charges

The Knin opstina judge for misdemeanors characterized all of this as a gross violation of the Law on Public Gatherings and the Law on Misdemeanors Against Public Law and Order, and sentenced Opacic to 40 days

in jail (a superior court increased the sentence to 50 days). The sentence went into effect immediately. In the meantime, the District Public Prosecutor's Office in Sibenik also dealt with Opacic. It felt that in everything that had happened in Kosovo there were elements of a criminal act, and so it issued an indictment against Opacic consisting of three charges: a criminal act against the freedom and rights of people and citizens, prevention and disturbance of a public gathering under Article 57 of the Croatian Criminal Code, a criminal act against the foundations of the socialist self-managing system and security of the SFRY, arousing ethnic hatred and division, under Article 134 of the SFRY Criminal Code, and a criminal act against the reputation of the SFRY by insulting the reputation of the SFRY, under Article 157 of the SFRY Criminal Code.

At the request of the prosecutor's office, and by the decision of the investigating judge of the Sibenik District Court, which was also confirmed by the appropriate judicial council, detention was ordered for Opacic, beginning as of the day his jail sentence for the misdemeanor went into effect. The reasons for the detention were explained as fear that by remaining at large, Opacic could repeat his criminal act. That was indicated, allegedly, by Opacic's speeches to date and his persistence in those speeches, and all those speeches involved with the events associated with the commemoration of the 600th anniversary of the Battle of Kosovo, it was added, had disturbed the peace.

What did the indictment specifically charge Opacic with? The content of the 40-minute speech which he delivered, after climbing onto the stage without authorization, during the celebration of the 600th anniversary of the Battle of Kosovo, and thereby interrupting the planned cultural/artistic program. In his speech, he stated, among other things, that "The enemies of the Serbian name and their religion had been well paid for their services in using crude physical force and other methods of perfidious political manipulation to prevent Dr Jovan Raskovic, one of the most prominent intellectual and political leaders of the Serbian people in Dalmatia, in the area where three borders intersect, from speaking before us here today. This truly barbaric act of a ban, which brings about a maximum political devaluation of both this Serbian people and its national and cultural holiday, its past and thus also its future, only confirms the inhumanity of a despotic bureaucratic rule, a rule by great and small inquisitors, to whom the people means nothing more than a dunghill for fertilizing history..."

Political Illusions

On that same occasion, according to the indictment, Opacic also said, "Today we must openly tell all those who would like to ban the people itself that slave-owning society has historically been left far behind us, and that we will not ever allow anyone to make us be only the faithful dogs of red masters. It finally must be stated that an end has finally come to such an inhuman rule and to

the great ideological manipulation of people. We do not need the kind of society in which our writers, scholars, and academics are guarded by police cordons. In accordance with this, yesterday we launched an initiative for founding the Zora SKD [Serbian Cultural Society], and when we did this, our desire was, by fostering the cultural values and ethnographic characteristics of the Serbian people, from the area of rocky Bukovica, Ravni Kotari, Podinarje, and the legendary and rebellious three-border area, to halt the terrible trends of the political and cultural denationalization and assimilation of the Serbian people in these areas..."

The indictment also charges him for the part of the speech in which he demanded that the Serbian people should be freed as soon as possible from its political illusions associated with the communist totalitarian ideology and the myth of Yugoslavism as a supranational and utopian project. "The irrational belief in these motives has cost the Serbian people dearly over the past 70 years. With them it earned biological genocide during the period from 1941 to 1945, and during the postwar period it experienced total denationalization and de-Christianization, not just in the border areas of what was ethnic Serbian, but also especially in its very epicenter, since for many years after the war not a single church building could be erected in the area of so-called Serbia, not to mention the numerous unrestored Orthodox churches throughout Lika, Bosanska Krajina, Banija, Kordun, etc. For the sake of illustration, I will state that a month ago I had the opportunity to see in Gracac two half-destroyed Serbian Orthodox churches, which are operating silently and under a curse like the broken spiritual wings of this heroic and martyred people. It is also necessary to stress that all of these churches were not destroyed before 1945, and not exclusively at Ustasa hands, but some of them were also destroyed after the war by those to whom political orthodoxy was more important than reason and to whom sycophantic service to an autocratic leader and master was the highest obligation..."

During the investigative proceedings, Opacic explained the essence of his speech in front of Lazarica at considerable length. He stated, for example, that in mentioning sycophantic service to an autocratic leader and master, he had in mind the bureaucracy, and not any quite definite individual. He also said that he had not intended to speak in front of Lazarica, but was forced to do so. As he says, around 5 pm people simply "picked him up" and literally "dumped him on the stage," chanting his name. Then, he claims, he decided to speak, because "somewhere between 5 and 10 thousand people were listening" to him.

A video recording and a photographic exhibit which will be presented as evidence at his trial tell a quite different story, however. Most of the citizens who were attending the cultural/artistic program in front of the church did not accept his appearance, distancing themselves from the speech itself, as eloquently indicated by the photographs. The district public prosecutor in Sibenik, Vera

Bego-Macura, points out the fact that the entire speech was prepared in advance and that Opacic, in the context of stating false facts about Serbian churches that were destroyed and ruined not only before 1945, insulted the memory of the late President of the SFRY. Opacic talks about the "democratic" awakening of the Serbian people in areas where that people has already lived for decades in fraternity and equality with other peoples.

Hunger Strike

After Opacic's arrest and his decision to begin a hunger strike, "as a sign of solidarity with the people of the Knin region, who have raised their liberating voice against the arbitrariness and despotism of bureaucratic and ethnocentric forces," as he stated in a letter to the Sibenik jail administration, there was considerable speculation about certain facts. The letter was sent to the administration on 23 August. In it, in addition to announcing the hunger strike, Opacic states: "Because of nationalism, which in Yugoslavia today has caught up even the official political structures, I do not have, nor objectively can I have, any confidence in our legal system, and so I feel that my 'guilt' consists solely of the fact that I am of Serbian nationality, and by moral conviction, a decent and honest person."

The strike, however, only lasted for one day. As early as 24 August, a new letter from Opacic reached the prison administration, saying the following: "After a detailed medical examination which was given to me today by doctors from the Sibenik Medical Center and from the Zagreb Medical School, and on the basis of their warnings that a further continuation of the hunger strike could have very serious repercussions for my health, and after a talk with my lawyer, who called my attention to the fact that I was thus unnecessarily interfering with the defense's preparations for the trial, I have decided to yield to the advice of these people, and I decided to stop the hunger strike tomorrow, on 25 August, at 6:00. In this serious crisis in my life, I expect your understanding, and I humbly request that you do not criticize me for this."

The final decision on the "Opacic case" will be made by the Sibenik District Court, perhaps as early as this month; and any forcing of justice outside the appropriate institutions, and any political pressures whatsoever, like those which have become more frequent these days in various parts of the country, have nothing in common either with the democracy that is so facetiously cited these days as an argument, or with the law-governed state which, I believe, we all support.

Transformation of Slovene Potrc's Political Views Examined

90EB0022a Zagreb DAN 'S in Serbo-Croatian
26 Sep 89 pp 16-17

[Article by Jasna Babic: "Constitution Countdown: President of Slovenian Assembly Has Become Symbol of Defending Slovenian Uniqueness"]

[Text] In Bavcar's "Moji razgovori" [My Conversations], Miran Potrc is included with Andrej Marinc, Ivo Fabinc, France Popit and Stane Dolanc as a member of the conservative state-party faction. At the time still only in the "second league" of Slovenian politics, specific to the pluralism of ruling, opposition and alternative leaders, he was considered a good soldier of the Party; as its representative in the role of president of the Slovenian Assembly and on the constitutional commission, all his words and deeds were focused on one goal: to thwart political pluralism and preserve communist rule.

The Slovenia given shape by Igor Bavcar, one of the authors of "Dnevnik i uspomena" [Diary and Memoirs] of Stane Kvacic, conjures up two events from Potrc's biography: On the Central Committee of the League of Communists of Slovenia 15 years ago, he inherited the seat of some "mowed-down" liberal by silently accepting the party directive about a mass purge of "nationalists" and "technomanagers"; secondly, he was "delegated" from Maribor, the area considered the strongest fortress of economic, industrial and political real-socialism.

It is only recently that Miran Potrc has had a real chance at becoming the darling of the Slovenian populace. Not as president of the Assembly, nor as one of the creators of the new Slovenian constitution, which would be to the full satisfaction of the citizenry; rather, it is as a metaphor for courageous national opposition—thanks to Serbia, its constitutional "experts," Belgrade and in particular the Presidency of the SFRY [Socialist Federal Republic of Yugoslavia]. The considerable and overly dramatized polemic—as MLADINA sees it—between Slovenia and the most powerful Yugoslav rulers has meant that the political "background worker" has been promoted to the position of direct expounder of extreme Slovenian designs. Do six controversial amendments in the future Constitution of the SR [Socialist Republic of] Slovenia reveal a treacherous attempt to secede from the region or at least from the Yugoslav confederation? Or do they ultimately establish the right of the Slovenians to an encircled, sovereign state? Will Miran Potrc and his party withstand "political pressure"? Or will the same thing that has happened many times in the past with parties in other republics happen here as well: restriction of constitutional sovereignty in exchange for the support of the communist Yugoslav majority.

Miran Potrc himself explains the most controversial of the proposals put forth by the Constitutional Commission rather precisely—as a guarantee of psychological security "for everyone about everything." In Yugoslavia, itself worthy of psychiatric diagnosis, Slovenia in particular is chronically afflicted with "unitary complex," in which even Miran Potrc is considered a symptom. For the Slovenians, the purge of liberals 15 years ago is incontestable proof even today of his subordination to federal authorities and to the Yugoslav communist circle. But the most controversial of the controversial Slovenian amendments is a result of the latest collective fears elicited by the trial of the Ljubljana Four, by the

method of Serbian "unification" and by political-military intervention in Kosovo. Article 48 relates to the Presidency of the SFRY as the supreme commander of the armed forces of Yugoslavia: "In the Socialist Republic of Slovenia, only the Assembly of the Socialist Republic of Slovenia, at the suggestion of the Presidency of the Republic, may declare a state of emergency and order special measures in the event of a direct threat to the vital functions of the state or constitutional system or in the event of a serious threat to public order and peace... The use of armed forces during peacetime to avert or revoke a state of emergency cannot be ordered without the consent of the Assembly of the Socialist Republic of Slovenia."

In short, it is the army that is at issue here, with which Slovenians have long been on bad terms...

Thus, if a miracle takes place and the Slovenian-federal constitutional dispute is resolved without a new "counterrevolution"—for the benefit of Slovenia and its understanding of the country's federal structure—Miran Potrc will assert only those attributes of character and policy that recall Franc Setinc, his former associate and party chief: realism, rationalism and persistence. Because in this era of the "Kosovization" of the country and of increasing legal, national, social and ideological chaos, which the Presidency of Yugoslavia is ostensibly resolving through announcements and "extraordinary measures," while the most vocal polemicist in the supreme command of the armed forces is taking action, all appears to be the exact opposite of the given reality of power and of the prevalent type of "fancied," "emotional" rationalism. The more Kosovo becomes our reality, the more the traditional reality of Yugoslav communism will have to recognize that all efforts to thwart Kosovization anywhere are unrealistic. Least of all in Slovenia, before whom Serbia "trembles." Thus, after 15 years of realistic, rational and persistent service in the executive organs of the Slovenian and Yugoslav party, all that remains for Miran Potrc is Bolshevik obstinacy. The main evidence of this is his struggle within his own circles and the exhausting disputes with the internal Slovenian opposition, which continues to assail the League of Communists—once again with united forces. Its representatives on the Constitutional Commission demanded proportional representation for all political "leagues" and social movements in the future assembly system. Potrc, however, as an advocate of majority parliamentary representation, at least managed to postpone a final decision. This issue will be resolved later, outside the Constitution, in the form of an election law. Specifically, if on the other hand stubbornness and persistence are demonstrated on behalf of "self-determination for secession," or authority over the "state of emergency" being vested in the Slovenian state, then there is no doubt that his party will restore its shattered esteem and entrust it to Slovenian nationals: the majority principle of organizing the assembly will have a much better chance. If something else happens—compromise with Serbian constitutional sentiment or

promotion of the Slovenian "counterrevolution"—the Slovenian ruling party will be the first communist loss on Yugoslav soil. Studies show that more than 90 percent of all Slovenians demand just such a "problematic constitution," that many of them in fact already see their own future as being outside the Yugoslav federation, in some region of "corrupt" capitalism and absolute national rights. Miran Potrc, personally, does not share this view. According to his statements, he sees his "immediate homeland," with the new Constitution and beyond, as part of Yugoslavia, but in the sense of a sovereign federal unit. "I want to remain Slovenian, but also to be a Yugoslav, to understand the problems in all the regions of the country and to be involved in solving them," he told a journalist from RAD in 1985, as president of the Slovenian delegation to the Council of Republics and Provinces of the Federal Assembly, and one of the participants in the political controversy then surrounding the new currency law. Still, there is time for vivid memories of the greatest political honor in his career, the office of president of the Confederation of Trade Unions of Yugoslavia in 1980-81 which, just like the party functions in his republic, he received as an inheritance. Potrc was the first trade union leader after the postwar pleiad composed entirely of veterans of the People's Liberation Struggle and the revolution, after Tito's death. At the same time, he was the first president of the collective leadership of the Trade Union Council of Yugoslavia, with one year in the top function which, taking everything into account, is an unpleasant memory, due to the futility and powerlessness of the situation. In an era of declared unity between all republics and provinces, all nations and nationalities, between working people, townspeople and sociopolitical organizations, his trade union, "together with the League of Communists, supported the movement to effect the stabilization program," wrote NEDELJNE INFORMATIVNE NOVINE, not considering at the time that the interests of Serbia are irreconcilably opposed to the interests of Slovenia, and that the Serbian working class is the object of exploitation by Slovenian workers. The scandal took place a little later in the conflict between the market and the state—these days, however, between the republic and the federation—in which Miran Potrc showed himself to be a completely new, transformed figure. Although MLADINA still prefers to call him a "petty politician" and accuse him of playing underhanded political games with regard to his past, Miran Potrc today gives the impression of being a modern,

educated, level-headed politician who would not abandon his constitutional convictions for anything in the world.

Once the classic party "junk dealer," who traded each professional position in for a new one, he has finally found his own turf. He was educated as a lawyer, specializing in the sociopolitical system, and his assertions about the ability of Slovenians to judge for themselves how to coordinate the republican with the federal Constitution are in all likelihood not unfounded. Several other federal units also have an institutionalized right to secede. One Slovenian novelty is that the framers of the Slovenian constitution are demanding regulation of the legal-constitutional methodology of any separation from the unified state. Therefore, the question is simply posed the wrong way. If communist parties have propagated the freedom of a nation to decide on its own to secede from Lenin to the present, it comes as no surprise that Slovenia sees its amendments as part of its national, or even civil liberties and rights. Much more surprising is the fact that the Serbian nation renounces such liberties, even as a theoretical principle.

"We shall persevere to the end," declares Miran Potrc, a member of the generation from which one would have least expected this, the post-Ovcic [not further identified] political generation, which loyally pricked up its ears at the rumors of state and party "democratic centralism," the Yugoslav communist "internationale," and which saw a diabolical mark even in the most inoffensive national symbol. The even older Franc Popit, taken aback by the betrayal of "authentic socialism" by Kucan's League of Communists, will do one more improbable thing: accuse the Slovenian leadership of unitarism and of strengthening "centralist tendencies." In that case, what has happened to the former Yugoslavs of Slovenian descent, the most faithful followers of "fraternity-unity," "Titoism," and "Bolshevik" rule? A shift from convictions to the rightness of new ideas, of new generations? Yugoslavia in crisis, where revolt is impossible? Slovenian "separatism," once repressed, now fully revived? A narcissistic projection of self-sufficiency? Or that type of realism that Setinc recognized in Miran Potrc, his former party coworker: If once upon a time Slovenia was unable to live without the other fraternal republics, the anti-Slovenian campaign clearly bears witness to the fact that life for those republics today would be harder still without Slovenia. This is why, Potrc says, new arrangements must be made.

POLAND

Military Stations Listed in Effort To Show Openness

26000723 Warsaw ZOLNIERZ WOLNOSCI in Polish
7 Sep 89 p 3

[Article by (S.L.): "Army Without Secrets; Everything Is Open"]

[Text] Quite recently still, any mention of the Army had to be made from the standpoint of protecting military secrets. Now, owing to openness of life [glasnost] and a decision of the minister of National Defense, anything, or nearly anything, can be written about the Army. The Army has no secrets before the society.

Thus the full names, garrisonings, and subordination of the tactical groups, units, and other organizational detachments of the Armed Forces of the Polish People's Republic are now available. We shall begin with the Pomeranian Military District. For example, the 16th Kashubian Motorized Division is stationed in Elblag. Also stationed there are the Warsaw Motorized Regiment, named after the Heroes of Westerplatte, the 13th Antiaircraft Artillery Regiment, and signals, supply, and repair battalions. Everything is public and publicized. Whoever travels to Elblag can name commanders and various military experts and describe them. Until quite recently much less could be written about the garrison of Elblag.

In Gdansk we have the 7th Lusitan Coastal Defense Brigade, which includes the 35th Assault Landing Regiment and the 20th Missile Artillery Unit. When writing about the servicemen in blue berets, reporters may describe members of antiaircraft defense units (in that brigade), signals personnel, and representatives of quartermaster service. The possibilities are many. And what about Koszalin? In addition to the higher antiaircraft officer school, the 8th Bartosz Glowacki Dresden Dresden Mechanized Division, which is commanded by Colonel Zenon Werner is stationed there. The division includes, among other units, the 83d Antiaircraft Artillery Regiment, the 13th Signals Battalion, a supply battalion, and a poison-control company. The 15th Material-Technical Base, which includes material-technical installations, is stationed in Olsztyn. In Szczecin we have the 12th People's Army Motorized Division commanded by Brig Gen Antoni Walczak. That division includes the 5th Kolobrzeg Motorized Regiment named after Capt Ottokar Jarosz, the 41st Motorized Regiment named after Bronislaw Lachowicz, and the 25th Dresden Medium-Tank Regiment. It also openly includes artillery, missile artillery, and antitank units. It includes reconnaissance, supply, engineer, signals, and repair battalions as well.

And the 20th Warsaw Armored Division named after Marshal Konstanty Rokossowski is stationed in Szczecinek. That division includes, among others, a signals battalion and a medical battalion with a military hospital. A journalist who wants to report on military topics and who concentrates on the area in which units of the Pomeranian Military District are stationed can thus choose from among garrisons in, among other places, Bydgoszcz, Walecz, Choszczno, Torun, or Grudziadz. There also are, of course, other possibilities (garrisons).

CZECHOSLOVAKIA

Western Environmental Technology Needed

23000231 West Berlin *HANDELSBLATT* in German
13 Sep 89 p 13

[Article by cmk: "For Environmental Protection, Prague Needs Foreign Countries"]

[Text] In socialist countries, also, the realization is gaining ground that environmental protection cannot just be a subject of "diplomatic efforts and joint declarations," but must also be included in planning as an economic factor of one's own import capabilities and export possibilities.

Hence the question was posed by a spokesman of the Foreign Trade Ministry at a specialized event in conjunction with the 31st International Engineering Fair at Brno: In the course of restructuring the production and export structures (...under orders), did CSSR entrepreneurs actually grasp the new trend? At present, only some 4 percent of the entire capital goods production can be classified as so-called ecological engineering. For the coming 5-year plan (1990-95), a growth rate more than twice as high is planned. Especially in view of possible international cooperation, Czechoslovakia will restrict itself to certain areas of "small-scale ecology."

Since numerous components for environmental protection technology can be taken over from general engineering, the CSSR can also claim that a majority of environmentally safe equipment is already produced internally. This holds true especially for waste-water purification and for certain areas of preserving clean air. Simultaneously, however, Pavel Pospisil of the Prague Foreign Trade Ministry also made this clear: While most Western industrial countries have already solved the basic problems of environmental protection, for the CSSR's environmental protection program the desulfurization of flue gas from large and small sources has highest priority. The financial side must also be taken into account in this. According to Pospisil, the desulfurization of large power plants (until the substitution of other energy sources) can only be a short-term program, while the desulfurization of smaller and medium-sized thermal power stations and industrial boiler plants can well be programmed for the medium term.

To solve the problem of "large-scale desulfurization," in the opinion of the Foreign Trade Ministry cooperation with Western industrial countries should be sought, but without a compulsory purchase of licenses. Rather, one should consider gradual compensation through deliveries from the CSSR. However, since desulfurization installations are very expensive, particularly with regard to specific materials, one must also be ready for sustained imports of these materials, components and parts from Western countries. It was also clearly spelled out that it is uneconomical to consider one's own export category of "large-scale desulfurization." At the same

time one must realize that such components are an indispensable part of one's own export capability of plant production.

Up to now, environmental technology is almost exclusively reflected on the import side of the CSSR foreign trade statistics. It is assumed that 90 percent of all ecological imports come from "nonsocialist countries." Already in 1988, more than 25 percent of technology imports from Western industrial countries were environmental protection investments, and it can be assumed that this ratio will increase. In the next three 5-year plans, 170 billion koruny will be set aside for environmental protection, a "significant amount" of which will go for imports of installations, measuring and control technologies from capitalist industrial countries. This reference also pointed out a weakness of CSSR industry: Although it will be able to offer some of its own components, yet for measuring and control technology, industry lacks even the most basic equipment.

GERMAN DEMOCRATIC REPUBLIC

Auto Industry Crisis Reflects General Economic Malaise

23000236 Munich *SUEDDEUTSCHE ZEITUNG*
in German 6 Sep 89 p 27

[Article by u-r.: "Far Removed From Former World Standing"]

[Text] "Here at the fair in Leipzig, we of VW take care of the big and small worries of our customers. We want to know how well the spare parts supply functions, we collect complaints, we try to eliminate bottlenecks—but the big business deals are not made here." With these words a spokesman of Volkswagen AG, Wolfsburg, characterized the direction of the automotive corporation's participation in the fair, whose open-air stall this year is again one of the great attractions for the public.

VW annually delivers some 3,000 vehicles to the GDR, most of which are imported via gift services. But, for foreign currency payments, there are also direct imports of commercial vehicles. "Then there is always a special need, which must be covered via permits authorizing exceptions." In the opinion of the VW spokesman, the "Polo Project," much discussed in public, will take some time yet.

VW Is Waiting

"We saw with the conveyor system for engines delivered for the Wartburg [car] that some things don't move very fast here in the GDR, but one should not scornfully make bitter comments. On the contrary: We appreciate the problems of our GDR partners." VW, in the course of cooperation, had originally agreed to buy 100,000 motors annually from the motor plant established in Karl-Marx-Stadt as a "reciprocity deal" as of fall 1988.

But to this day no engine has arrived in Wolfsburg. But at the fair stall there is great confidence: "It will surely work out this year."

Whether, as of the mid-1990's, "Trabis" with Polo engine or the VW-Polo manufactured in the GDR itself will make drivers' hearts beat faster between the Elbe and Oder Rivers. It is a fact that the difficulties alone accompanying the Wartburg's production changeover prove how far the GDR automobile industry has fallen behind in the last 25 years.

Formerly, Even Racing Cars

"Who remembers that in the 1950's we even built racing cars in Eisenach which stood up internationally?" asks an older Leipzig man; "here in Saxony was the center of German automobile and airplane manufacture—and what has become of it?"

In Leipzig today, experts ask themselves how the GDR automotive industry is supposed to manufacture a VW-Polo on its own if it were to get from Wolfsburg only the cutting press and the equipment for producing the crude car body. "We couldn't even build axles, steering mechanisms and gears, we would also have to buy them over there; the only things we can still produce in Western quality is windshield wipers and headlights."

It is not only the automobile industry which is lagging behind the "world standards" so often cited in the GDR. In mechanical engineering, ground was also lost internationally. Taiwan nowadays provides 20 times more machines in Western markets than the GDR. The latter's production apparatus is not only obsolete, its innovation power is also lessening more and more. This decline can also be seen, among other things, by studying patent registrations. Some 30 years ago, GDR scientists registered considerably more patents in the FRG than their colleagues from Italy, Hungary and the Soviet Union. Today, these countries have clearly passed the GDR; even in high-tech categories the Hungarians top the once superdominant competitors from socialist Germany.

Cooperation Needed

The intensive discussions at this fair about deepening cooperation demonstrate the present desperate situation of the GDR economy, because without "support" by capitalist partners hardly anything moves on world markets. "Hong Kong, Taiwan, and South Korea demonstrate to the GDR and the other CEMA states what it takes," says a Western exhibitor in the high-tech field, "these countries first replaced their raw material-intensive exports with labor-intensive ones and are now on the way to enriching their export goods with research-intensive products. This restructuring has been discussed in the GDR for years, but the practical results are few."

Perhaps those responsible in the GDR should avail themselves of a visit to the pavilion of the Soviet Union. There, brochures are spread about which deal in a merciless manner with the traditional socialist economic

system. They speak of "venal servants of the people" who "showed complete disregard for the law and corroded the souls of the people around them." The highest economic planners are charged with "greed, lack of principles and amorality," they are accused of "clique behavior," and one is warned against "the advent of new metastases."

The USSR Turnabout

A system is being indicted which was celebrated for decades in the same exhibition pavilion and served as the great model for the GDR: "To learn from the Soviet Union means learning to be victorious!" Now, however, the Soviets acknowledge with self-criticism: "If a society stagnates in its development, if it no longer perceives the problems behind the achievements, it immediately affects its condition. It is a matter of eliminating everything that is outmoded. The express train of scientific-technical progress will not wait for us...." Does the GDR leadership see it differently?

POLAND

Chances for Poland's Participation in EEC Discussed

26000724 Warsaw RYNKI ZAGRANICZNE in Polish
No 94, 8 Aug 89 p 8

[Article by Tomasz Bartosiewicz: "From Confrontation to Association"]

[Text] Barely a few years ago it would have been inconceivable for the press to propose Poland's entry into the European Community [EEC]. Nowadays this is quite possible and admissible.

The road to Poland's full membership in the EEC, the European Coal and Steel Community, and Euratom clearly will have to be long. Even if both parties had the political will at present, the integration of our country with the economy of West Europe would simply not be feasible. Too much differs and divides us. Here I mean not only geopolitics, which nowadays seems to lose in importance, but above all the economic realities.

Neither our industry nor our agriculture is adapted to the conditions existing on the Common Market, and this situation will still persist for many years. Even if by some miracle the financial-clearing problem were to be solved and formal premises for opening our market to West European competition were to be present, it would then turn out that our producers simply are not equal to that competition.

Thus, a long transition period, needed to restructure our economy, is imperative. This, however, raises the question of what would happen during that period? After all, it was only very recently that the era of confrontation ended in relations between Poland and the Community. Just consider that for the last 15 years the situation has

been unregulated, because trade agreements with individual member countries of the EEC had expired in 1974 and, in consonance with the then mandatory doctrine of "nonrecognition" of the EEC authorities in Brussels, we had refused to negotiate an agreement with the Community as such. After some time, in accordance with the doctrine presented by Leonid Brezhnev at the Congress of Soviet Trade Unions in March 1972, we expressed "readiness" to eventually modify our position, provided that...the EEC recognizes CEMA as its equivalent organization.

For more than 10 years we had been prisoners of the concept of "EEC-CEMA relations," which in practice was unrealistic owing to the institutional underdevelopment of CEMA, which lacks practically any rights to engage in foreign relations. Thus there arose a kind of pact: CEMA member countries proved incapable of agreeing upon new operating principles of CEMA as an organization, but demanded of the EEC that it treat CEMA as if those new principles were already in force.

The impasse was ultimately broken only after all kinds of "Brezhnev doctrines" were revised by Mikhail Gorbachev. For formality's sake, the EEC and CEMA adopted a common political declaration which, however, lacked any economic importance. This opened the road to negotiations between individual CEMA member countries and the EEC as a whole.

The agreement on trade and cooperation between Poland and the EEC, whose text was recently settled upon at the end of last July, is the fruit of the new political atmosphere in the relations between socialist countries and the EEC, and between Poland and the West. This agreement concerns, however, only the stage of normalization of relations, by abolishing discriminatory sanctions against our exports.

It is time to think about the next stage. That could be a kind of associate membership of Poland in the European Community, as modeled on the solution applied in the relations between the Community and certain countries of the Mediterranean Basin.

Such an association would at the same time initiate the preparatory period needed to adapt our economy to the requirements of the Common Market. This period, which in my opinion would have to last until at least the year 2000, should at the same time presuppose the complete opening of the "12" to our exports of goods, services, and manpower. In return, Poland would commit itself to adjustments in its industrial and agricultural policy.

One aspect of such associate membership could be a kind of Mansholt Plan for our agriculture. The purpose of such a plan would be—upon also using funds of, among others, FEOGA [Fonds Europeen d'Orientation et de Garantie Agricole]—to reduce the number of farms in Poland and increase their average size to one similar to

the average for the EEC. For otherwise the future functioning of our agriculture within the Common Market is hardly conceivable.

Thus, the stage of normalization which we have attained in our relations with the European Community should be viewed not as an end in itself but merely as a step forward on the road from confrontation to association.

Internal or External Factors To Determine CEMA's Future

Soviets Favor Internal Restructuring

26000725 Warsaw RYINKI ZAGRANICZNE in Polish
No 87-88, 22-25 Jul 89 p 4

[Article by (Jok): "Is a New Organization Necessary?" under general rubric "What Others Write About CEMA's Future"; first paragraph is RYINKI ZAGRANICZNE introduction]

[Text] In every CEMA country discontent with the status of cooperation is growing. The "ration-card" system of reciprocal deliveries still operates, the structure of trade is fossilized, there are no elements of competition, and the credit mechanism is not developing. Bureaucratic obstacles to contacts among enterprises still persist. In presenting this assessment of the present situation, Dr Margarita Maksimova, writing in the Soviet monthly MIROVAYA EKONOMIKA I MEZHDUNAROD-NYYE OTNOSHENIYA, has at the same time proposed certain possible solutions, including the formation of a new organization operating parallel to CEMA. Below are the highlights of her interesting article.

Economic ties among CEMA countries not only fail to facilitate the solution of their own, domestic problems (such as the rising deficit, the low quality of manufactured goods, the backwardness of science and technology, the material and financial imbalances) but also cause new difficulties and intensify the disproportions in relations with the outside world. In such a situation, CEMA countries are compelled to purchase on credit from the capitalist countries on an ever growing scale the equipment, materials, and staple consumer goods they need. As a result, they all (except the Czechoslovak Socialist Republic) are in debt to Western bankers.

Also disturbing are such unprecedented occurrences as the failure of partners to implement agreed-upon mutual deliveries of products as well as the demands made by certain countries that obligations be cleared not by means of barter or in transfer rubles but in hard currencies. Increasingly often the obligations ensuing from common projects are being ignored. Many intergovernmental programs, including interdisciplinary ones, are not being implemented.

Such a situation is largely due to objective causes, or more exactly to the crisis or precrisis state of the economies of many CEMA countries and the decline in the

living standards of their populations. Under these circumstances, each country is attempting to resolve on its own its acute social and economic problems, without relying on assistance from partners who find themselves in similar circumstances and not always consider the others' interests. A certain role also is undoubtedly played by the differences in restructuring [perestroika] processes in the discrete countries, and in particular by the lagging of economic reforms in the Soviet Union. Also instrumental are subjective factors relating to differences in the conceptions of particular roads to the development of socialism as well as to the explicitly growing emphasis placed in many countries on orienting the policy on foreign economic relations toward closer contacts with the West.

One of the specific features of the machinery of mutual CEMA cooperation has been its confinement to chiefly the upper rungs of the bureaucratic ladder, such that the producers themselves are not treated as autonomous economic entities. This has caused CEMA to lag years behind the worldwide practice as regards so-called microintegration, that is, supranational forms of organizing production as well as of R&D and application work, marketing and supply, banking operations, and also the formation of international joint-stock companies, concerns, consortiums, and joint ventures.

Not only the status of cooperation among the member countries but also the CEMA itself and the activities of its agencies are being justly criticized. The principle of mutual assistance adopted many years ago in the CEMA statute has basically become outlived. In this respect we are dealing rather with unilateral assistance provided within the CEMA framework to the developing countries: Mongolia, Cuba, and Vietnam. But as regards the developed socialist countries, their mutual relations should probably be based on other economic principles.

The limited powers of CEMA, the fact that the decisions it takes are purely in the nature of recommendations, and the relatively narrow range of competences of its agencies as regards, among other things, relations with other countries and with international organizations, as well as the lack of common financial resources, all also are not meeting the needs of cooperation. But what matters most is that the mechanism of economic cooperation and the structure, functions, and operating procedures of CEMA, developed as far back as in Stalinist times and adapted to conditions of rigid, centralized planning, do not correspond to the purposes and nature of the economic and political reforms under way in its member countries.

The scale of the changes within CEMA outlined in 1986, as well as the entire subsequent course of work on translating them into reality do not as yet provide a guarantee that the restructuring process is of an irreversible nature, that CEMA succeeds in restraining negative tendencies. To some or other extent, disappointment with the process of socialist integration is being felt by every member country. Likewise, every member country

understands the need for changes, but as yet there is no common approach to the issue of reforming that organization.

Aside from the concept of creating a uniform socialist CEMA market, a program for radical changes has not yet been formulated on a larger scale and properly substantiated. Everything reduces to half-measures which essentially do not change the traditional principles of action and in practice are not unlocking encouraging prospects for CEMA. Undoubtedly, the transient status of restructuring in CEMA countries is a factor in obstructing the formation of a new mechanism of cooperation: in many of these countries there is no retail trade and no credit system, and an obsolete price structure persists, and the currency is not convertible. Still another obstacle is the inertia of political thought, the attachment felt by many representatives of government bureaucracy to hackneyed schemas of cooperation within CEMA.

In conclusion, it can be said that the state of the relations among CEMA member countries is approaching a moment when the issue of the further fate of the Community will become quite acute. Still, while CEMA should be maintained in its present composition, a new, parallel integrative grouping of socialist European countries should be formed as an autonomous regional organization with a small regulatory staff, endowed with functions, structure, powers, and mechanisms making possible efficient operation.

Many factors are in favor of restricting such a new grouping to European territory, e.g., the fact that many European socialist countries are sensing an increasingly urgent need for new mechanisms of cooperation due to the nature of the economic reforms under way in most of these countries; the existence of objective premises for integration (similarity of economic structures, level of development, etc.); the specificity of common economic interests of the European socialist countries, which must act in conditions of a rapidly growing integration of West Europe and, at the same time, of a growing responsibility for security and the continuation of the common European process.

The principal purpose of such a new grouping would be not only creating a free trade zone and a customs and currency alliance followed by a common market but also some integration of (domestic and foreign) economic policies as well as coordinated action on the most important issues concerning mutual relations and relations with Third World countries and international organizations.

Since the transition from the restricted, ministry-controlled mechanism of cooperation to its new model entails considerable difficulties, it would make sense to provide for two stages of that transition. During the first stage (3-5 years) cooperation should be placed on a sounder basis, direct contacts between enterprises and other forms of microintegration should be intensified, and a socialist common market established, while during

the second stage (1995-2000) integrative processes should be introduced on a broad front and on the basis of far-reaching economic reforms.

During the first stage appropriate measures should be taken to eliminate the most acute deformations in mutual trade and payments. That is, coordinated steps should be taken to facilitate the formation of a common market, to eliminate monopolies, and to promote competition and new forms of cooperation. Such eventual steps may include: uniform customs regulations, gradual and reciprocal reduction in customs duties and other barriers, convertibility of national currencies in transactions between enterprises, opening of wholesale trade, introduction of bidding for government orders by enterprises in partner countries, further reduction in compulsory deliveries, rescinding of restrictions on mutual investments, etc.

In summation, over 10-12 years, the principal barriers to mutual exchange of goods, investments, services, and manpower can be eliminated and there can be a gradual transition to common regulation of the European socialist market (as regards prices, credit, currency rates of exchange, etc.). The role of joint projects will also grow, especially in such domains as information and forecasting, sponsorship of scientific and technical innovations, and qualitative changes in the regional division of labor.

The mutual association of European socialist countries in the new grouping should be on a completely voluntary basis. Countries which are not ready for this step should be enabled to take it in the future (with the rights of associate or full membership, and they should also provide for a transition period in order to adapt themselves to the conditions of the grouping in which they would participate, provided that they guarantee implementing all the jointly adopted obligations.

Forming an association of European socialist countries will hinge in many respects on whether they succeed in abandoning their traditional interpretation of certain concepts. This concerns, e.g., the transnational nature of production and trade as one of the effective forms of microintegration. Such concepts as national sovereignty and supranationality also have to be viewed from a new angle. The latter has for a long time been interpreted as an imperialist attempt to encroach on national independence. In reality, however, the utilization of supranational elements greatly accelerates the process of coordinating mutual interests and decisionmaking, provides a more effective guarantee of the fulfillment of mutual obligations, etc. It is thus obvious that the creation of a genuinely integrated grouping of European socialist countries necessitates instituting a completely new political and legal framework, different from that applying to CEMA.

External Conditions Instrumental

26000725 Warsaw RYNKI ZAGRANICZNE in Polish
No 87-88, 22-25 Jul 89 p 4

[Article by (S): "Scenarios of the Development of Relations With EEC"]

[Text] In contrast with the opinion, cited above, of the Soviet author [Dr Margarita Maksimova], who perceives the chance for eliminating the shortcomings of CEMA to lie in an internal transformation of that organization, the Polish economist Grzegorz W. Kolodko stresses the importance of external conditions to the development of the economies of European socialist countries. The following passages are cited from his article in the monthly PTE WEKTORY GOSPODARKI, No 5, 1989:

An important factor in the formation of external conditions of development of the economies of socialist countries, and especially of small and medium-size European countries, is the qualitative acceleration of integrative processes in West Europe, which is to result in a single common market after 1992...It should be realized that this represents a major challenge to other countries, and this consideration should not be overlooked when they ponder their own development strategies...As regards the formation of mutual relations between the socialist countries (this concerns the European CEMA countries and Yugoslavia) and the integrated West European grouping, four theoretical scenarios are possible.

The first is the scenario of continuation, in which the traditional tendencies are retained with slight changes. This would be reflected in actions promoting the "further strengthening and refinement of socialist integration" in the form of a Council for Economic Mutual Assistance that also comprises the Soviet Union and three non-European countries (Cuba, Mongolia, and Vietnam). The implementation of this variant would mean further mutual divergence of the countries of East and West Europe and in practice it would nullify the chances for any substantial rapprochement in the future.

The second scenario could consist in strengthening the actual integrative processes within CEMA and, especially as regards its European members, on the basis of market-oriented reformed economies and a common, convertible currency. The grouping as a whole would, in turn, come closer to the economy of West Europe through the mediation of dynamically growing trade and financial contacts, and transfers of people, capital, and information. This variant appears to have supporters within the bureaucracy of the socialist countries, a bureaucracy linked to the traditionally evolved models of bilateral trade and one which, under the cover of CEMA, actually dominates multilateral contacts.

The third scenario may consist in the actual disintegration of CEMA in its present form and the exploration by discrete economies of socialist countries of their own ways out of the existing situation. This variant is just as little likely as its predecessor.

Last, there is the fourth scenario, the scenario of differentiation. Some economies will evolve more rapidly in the direction of economic integration with West Europe while others will persist within the circle of traditional economic connections. Rapprochement with an integrated West Europe on a gradually growing scale does not in the least mean rupturing relations with the other socialist countries, because these are in many cases advantageous and seem to be relatively lasting. To be sure, the domination of competing structures over complementary structures—a typical feature of European socialist countries, reflected in the similarity of their economic structure—represents a major barrier to transition to more modern and advanced forms of economic integration.

The fourth scenario should be regarded as the most realistic one: in principle it is already being followed to some extent. Some CEMA countries (among others, Czechoslovakia, Hungary, and Romania) have already concluded agreements for cooperation with EEC, while others, including Poland, are attempting to intensify their economic ties with EEC. From this standpoint, Yugoslavia is in a particularly favorable situation; since it is a member of neither CEMA nor the Warsaw Pact, which here is of major importance, she has an opportunity to become the first associate member of the EEC. Next in turn to have this chance may be Hungary, followed by Poland. For there is no doubt that these countries are more European than, say, Turkey. But here, too, we are dealing with domination of politics over economics, this time in its supranational dimension.

Answering the question of whether and at what a pace will the economies of successive socialist countries approach the integrated economy of West Europe while at the same time retaining strong and equally developing integrative bonds with the fellow socialist economies, hinges largely on the success of their reformist efforts. Favorable changes in the process of marketizing the economy, monetarizing economic relations, and democratizing institutions of political life may (though not must) accelerate such rapprochement.

Moreover, in view of the general nature and direction of changes in the present-day socialist economy, an accelerated creation of more convenient conditions of trade, financial, technical, capital, etc., cooperation with the countries of West Europe should act as a catalyst of adaptive processes in the socialist economy. But, like any other catalyst, this factor may operate only if the public and the governments of the concerned countries carry out effectively the indispensable changes. These changes must comprise a package of indispensable, radical, and consistently implemented measures to change the operating system of the national economy (the economic reform), an appropriate market-oriented restructuring, and a reorientation of economic policy. Such measures also require further substantial progress in democratizing sociopolitical life while at the same time averting the danger of its anarchization, which, unfortunately, cannot be precluded either. The thus construed adaptive

process in the socialist economy affords an opportunity for surmounting its general crisis and creating the premises for a stable socioeconomic growth in the future.

Economists on Aspects of Financial Crisis, Solutions

Trzeciakowski: Soviet, Western Debt

26000713 Warsaw GAZETA WYBORCZA in Polish
24 Aug 89 pp 4-5

[Interview with Professor Witold Trzeciakowski, recently named to head Economic Council of the Council of Ministers, by Jacek Zakowski: "We Could Just About Contain Inflation Immediately"; date and place not given]

[Text] [GAZETA WYBORCZA] It looks like the Polish economy is finding itself in a wild whirl of skyrocketing prices, wage demands, and a growing budget deficit. Do you believe that there is a way out of that?

[Trzeciakowski] There must be a way out. However, whoever is going to govern this society will have to make many painful and responsible decisions. Of course, hyperinflation caused by the accumulation of burdens resulting from our indebtedness and lack of balance in the budget is the most painful phenomenon.

[GAZETA WYBORCZA] Therefore, we have to restrict the payment of debts and reduce state expenditures. How do you imagine this? Where would you start if you were the new government?

[Trzeciakowski] Let us start with the debts. First, we must negotiate a rescheduling of the repayment of our debt to the USSR amounting to 6.5 billion rubles to the period after 1995.

[GAZETA WYBORCZA] What about our debts to the West?

[Trzeciakowski] We should obtain a temporary moratorium from the Club of Paris (to which we owe \$25 billion) which would legalize for several years the actually existing status of not making payments and spread the future payments over 25 years.

[GAZETA WYBORCZA] Will we get on our feet well enough in several years to be able to shoulder these payments?

[Trzeciakowski] We must assume that we will improve the condition of our economy. However, we will only have an opportunity to pay back our loans if we survive the next several years. Besides, arrangements which facilitate overcoming the debt may appear in world politics during these years.

We also have to secure new loans. We may obtain a 3-year aid program in the amount of \$600 to \$700 million a year, or over \$2 billion in total, from the

International Monetary Fund. By all signs, we can negotiate aid on this scale. In turn, we must negotiate with the World Bank export-promotion loans worth between \$500 million and \$1 billion annually repayable over 3 years. Both of the above are possible given the good will of the American administration because it exerts a decisive influence on the operation of both of these institutions.

Finally, there is the issue of indebtedness to private banks. In this sphere, the implementation of the Brady Plan may bring a solution; the plan is based on reducing the debt to the amount corresponding to its market value. In the credit market, \$1 of the Polish debt costs 38 cents, and this is how much we should purchase our obligations for, especially now that we have already returned the principal value of the debt to these creditors, and are now paying interest.

If we managed to successfully carry out all of these negotiations, we could secure internal financial stabilization which would facilitate the influx of foreign private capital.

[GAZETA WYBORCZA] What about the national economy?

[Trzeciakowski] In this sphere, very painful budget cuts are in store for us the size and pace of which will depend on the results of negotiations with foreign countries. The smaller the aid from abroad the greater the burden which the society will have to shoulder, and the more sudden its increase will be.

[GAZETA WYBORCZA] Therefore, you would like to wait with the cuts until the negotiations are over?

[Trzeciakowski] Even now the cuts are unavoidable. However, subsidies to inefficient enterprises may be eliminated overnight precipitating a series of bankruptcies, or they may be reduced gradually, giving the enterprises a year or 2 years to carry out the adjustment process. At this moment, I cannot say whether we can afford this adaptation process, because I do not know the attitude of foreign countries toward our postulates.

[GAZETA WYBORCZA] The budgetary problems are the result of subsidies to the production and consumption sphere.

[Trzeciakowski] Yes, it is also necessary to restrict investment. However, every decision in this sphere needs to be considered in detail, and this will take time. Nonetheless, it is a certainty that the armaments industry can be converted to civilian output relatively quickly; this will take considerable pressure off the budget, and may bolster the market to an essential degree. Restricting the outlays for administration and the entire security apparatus may also bring quick results. On the other hand, budget revenues might be increased by selling the apartments, land lots, shops, and enterprises belonging to the state.

If we decided to go for the radical version of all these measures, we could just about contain inflation immediately. However, this means the accumulation of social tension because the elimination of subsidies would cause numerous bankruptcies, especially in the heavy and extractive industries, and bankruptcies mean that the people would be temporarily left without a job. The choice belongs to the politicians and their evaluation of the readiness of our society to make sacrifices.

We have to make a choice between a rapid and painful adaptation and a milder but longer one. The economic effectiveness of the second version is in doubt.

[GAZETA WYBORCZA] At present, soaring food prices are the factor which injects most tension into the political situation and harms the weakest ones. Does the new government have an opportunity to contain them?

[Trzeciakowski] This is a consequence of inflation. At present, it makes sense for the producers of food to hang on to it as long as possible because with every passing week they can sell it at higher prices. I believe that radical budget cuts may convince the producers that the inflationary policy is over and discourage them from hanging on to grain or even pigs suitable for slaughter.

[GAZETA WYBORCZA] Inflation also fuels the psychological mechanism which causes pay demands and a panic in the market. The peasants are aware of that.

[Trzeciakowski] When we eliminate the subsidies, the pay demands will have to assume some realistic dimensions; the inflationary pressure will drop, and the dizzying movement of prices will disappear. If an enterprise pays too much in wages, it will have to set increased prices, thus losing customers and going bankrupt. We must bring our society to face reality, and we must stop luring it by empty currency which is a big fraud.

The policy to date has been based on balancing excessive expenditures of the state through price increases. This amounted to reaching directly into the pockets of consumers. We want first of all to reduce expenditures for administration, defense, police, and subsidies to enterprises which we would be better off selling to the private sector. Reaching into the pockets of consumers is the last resort.

[GAZETA WYBORCZA] Thank you for the interview.

Paszynski: Cut Subsidies, Defense Costs

26000713 Warsaw GAZETA WYBORCZA in Polish
25-27 Aug pp 4-5

[Interview with Senator Aleksander Paszynski, recently named minister of Land Use Management and Construction, by Danuta Zagrodzka: "A Controlled Shock"; date and place not given]

[Text] [GAZETA WYBORCZA] In your opinion, how should the new government begin rescuing the economy?

[Paszynski] By preparing a short-term rescue program in order to arrest its further decay.

[GAZETA WYBORCZA] Actually, such a program should have been developed long ago, and now would be the time to start implementing it.

[Paszynski] That is why I have such a program, and I advertise it where I can. To my mind, the following decisions should be made: First, immediately discontinue industrial investment projects with the exception of those with a typical market orientation, and not only those financed from the budget but also the investment projects of enterprises which are using loans on preferential terms.

Second, reduce to a minimum the production of armaments, and use these facilities for civilian purposes, say, for agriculture.

Third, immediately start negotiations concerning the postponement of our debt service payments for the next 3 years.

Fourth, renegotiate a majority of our agreements with CEMA countries, primarily with the USSR, and especially joint investment projects carried out by Polish enterprises.

[GAZETA WYBORCZA] Why these exactly?

[Paszynski] Because they are unfavorable for us; they are based on Soviet cost estimates and greatly undervalued. Only beginning with this year do the prices in these transactions approximate actual prices.

Fifth, we should begin selling off on a mass scale the components of assets which are easy to sell, e.g., land lots for construction, apartments, houses, shops, restaurants, small enterprises.

Sixth, we should reduce administrative expenditures and integrate the ministries.

[GAZETA WYBORCZA] Perhaps, this cannot be done right away?

[Paszynski] Why not? Officials could be paid their current wages for some time. The objective is, first, for them not to interfere, and second, to obtain due to this budgetary savings in the next phase. All of this needs to be done in order to come closer to a budgetary balance as quickly as possible, and to contain inflation, which is the main nightmare of our economy, in an abrupt manner. The budget deficit is exactly its source.

[GAZETA WYBORCZA] On many points, this resembles the plan of Professor Sachs. What is your attitude toward that program?

[Paszynski] Highly positive. I have long advocated a program of shock-type transition to the market economy which is the nucleus of his program as well. Of course, we can argue about the details but there are no doubts as to the principle. An essential difference between us occurs

in that I would like to attain the equilibrium in the first phase, likewise through a shock, without two elements which are essential for his design, that is, without immediately abandoning subsidization and without introducing the equilibrium rate of exchange of the dollar.

[GAZETA WYBORCZA] However, we cannot get rid of the budget deficit without eliminating subsidies....

[Paszynski] This is true, and this is why I emphasize so much reductions in expenditures for armaments which may compensate in part for the absence of cuts in subsidies.

[GAZETA WYBORCZA] Do you indeed believe that a lot can be saved on this? After all, nobody is going to disband the Army!

[Paszynski] This is one of the secrets of our economy which nobody is in a position to answer. However, I believe that tremendous sums are at issue. Certainly, it would be great if subsidies could be eliminated all at once, but I am not as optimistic as Sachs as far as the social consent for this is concerned.

[GAZETA WYBORCZA] Would the populace have to suffer any losses in your scenario?

[Paszynski] Not for the time being. Only in the next plan, a 2-year plan, I expect subsidies to be eliminated as well.

[GAZETA WYBORCZA] However, can slow steps bring results?

[Paszynski] I think that these are not slow steps—the intentions which I have discussed are to be implemented within 3 months. I see a danger in public attitudes rather than the pace of changes.

[GAZETA WYBORCZA] As it is, this program does not threaten the populace....

[Paszynski] However, it does not calm it down either, whereas we are sitting on a volcano. In my opinion, the mere advent of the new government is not a sufficient advance. The populace must become convinced that the new government indeed means a new approach. The turnaround must be clearly visible.

Sachs: Immediate, Full Marketization

26000713 Warsaw GAZETA WYBORCZA in Polish
24 Aug 89 p 3

[Unattributed article: "Is an Economic Miracle Possible in Poland?"]

[Text] The program of Jeffrey Sachs and David Lipton calls for solving the economic problems of Poland through a sudden and bold jump into the market economy. This jump will cause sharp changes in prices which will, however, stabilize within several months; the shortages in the market will be eliminated. Real incomes of the workers will be protected. The program envisages

full marketization of the economy in the course of a process lasting several years and begun right away, state the authors.

A combination of shock-type price changes, a program of stabilization, and creating a market will contain the progressing economic collapse, will give an impetus to development, and will bring about a slow increase in the standard of living.

Subsidies and price controls will be canceled immediately.

In the absence of making prices realistic, Poland will continue to suffer from considerable shortages of merchandise, the black market, and investment wastefulness. Following the liberalization, prices for energy and food will increase considerably. The coal industry will reap windfall profits due to the growth of prices; a special tax will have to be imposed on it and on other export-oriented industries which will mitigate the influence of price growth on wages.

The introduction of a unified, stable rate of exchange of the zloty will be a basic step which will cause the prices of exported and imported goods to be dictated by the world market. The program of stabilization in the economy will ensure the maintenance of this rate (at present, it would amount to about 4,000 or 5,000 zlotys to a dollar).

Persistent and growing inflation is caused at present by the excessive emission of currency and the flight from the zloty which has resulted from this. The emission of currency serves to cover the budget deficit and provide cheap loans to state enterprises. Therefore, the elimination of the budget deficit and the control of credit are the keys to stabilization. The deficit will be liquidated due to the elimination of nonsensical investment projects and reductions in servicing the foreign debt.

By proceeding in keeping with these proposals, Poland will receive from the West more than it will be paying back. Only Solidarity has the international credibility which may prompt the International Monetary Fund, the World Bank, and friendly foreign governments to grant large loans to Poland.

A carefully prepared shock program should not mean a drop in the standard of living. Such a program would deliver to Poland new funds from abroad from the very beginning, and, therefore, the amount of assets would grow rather than drop. From the beginning, fewer assets will be wasted for unnecessary investment projects.

Of course, some groups will secure advantages and others will suffer losses as a result of price changes. However, tax measures and partial indexation of wages will help in spreading the burden evenly.

Even if the wage increases are smaller than the growth of prices the real standard of living is likely to remain unchanged or increase as early as the beginning of

program implementation. First, many goods are available at present only at black-market prices; increases in their prices will not cause a decline in the level of income as long as they do not exceed the black-market level. Second, people will stop wasting time in lines. Third, the end of inflation will increase the purchasing power because the value of the money owned will stop decreasing with every passing day.

Rural Solidarity Deputy Outlines Economic Changes Needed

26000698 *Krakow TYGODNIK POWSZECHNY*
in Polish No 34, 30 Aug 89 p 3

[Interview by Ewa Berberyusz with Artur Balazs, Sejm deputy and Rural Solidarity member, recently named minister without portfolio for rural and civic affairs; date and place not given]

[Text] [TYGODNIK POWSZECHNY] It was never normal with food in the Polish People's Republic. Either there was too much or not enough. Now the situation is as you see it. What do you intend to do about this? Please do not generalize but tell us point by point what needs to be done in the countryside.

[Balazs] I will list the points under a common denominator: Normalcy. That is the word that you used. Therefore, for it to be normal we must immediately exempt from taxes all ironworkers, carpenters, blacksmiths, and all the people in the countryside who offer services. Second, we must liquidate central offices, associations, boards, voivodship cooperatives, this whole top layer....

[TYGODNIK POWSZECHNY] Excuse me, but what are you going to do with these people? We are supposed to put this nomenclatura to use....

[Balazs] In a normal state there should be unemployment. For a labor market to be a true market, it must be a market of people looking for work and not the other way around. When work is looking for people, the work begins to degenerate. And that is exactly how it is in the countryside. Workers are paid 10,000 zlotys for a day's work and there is a labor shortage. The degeneration has gone so far that people prefer to get their 100,000 zlotys a month, which is hardly enough to live on, than take an honest, well-paying job at a peasant farm....

[TYGODNIK POWSZECHNY] This degeneration is nothing new. It has existed for years. Don't you remember the old saying that you get 1,000 zlotys a day whether you work or not?

[Balazs] And it will continue to exist until a normal labor market is created. My friends from Workers' Solidarity may have another opinion, but this is mine. As to your question about nomenclatura: If high-class specialists are working in the voivodship structures they have nothing to fear; they will be selected, not necessarily for

work in the cooperatives, but maybe in the administration or in the gmina [rural township].

[TYGODNIK POWSZECHNY] But are there high-class specialists there? We saw....

[Balazs] That is a totally different question. The farmer should concern himself primarily with production. If he has to concern himself with everything at the same time—production, distribution, procurement, sales—then he will not be able to do anything well. I am striving for the creation of a countryside infrastructure which will be made up of procurement centers, butcher shops, sales stores and stalls. On the outskirts of my gmina, in Swinoujscie, is a large private slaughterhouse. Their procurement prices are 20 percent higher than those of the state. And what happens? Only the old sows and geldings go to the state procurement centers and the good cattle goes to the private ones. This is how the monopoly was broken in my gmina and now we have come to the next point on the road to normalcy in the economy. There are really a lot of people in the gminas who are interested in private trade. Therefore, laws should be passed which will make it possible for those who want to buy and sell privately to do so. They should be exempted from taxes and receive favorable credits. Let the gmina cooperatives occupy themselves with procurement, but without orders from on high, and let there also be the private purchaser, so that the peasant farmer has a choice. PEK-POL could be dissolved even today, but we still have to put up with the state procurement centers and their prices, which guarantee that production is profitable.

[TYGODNIK POWSZECHNY] What do you mean "still?" Until when? Where were you when you weren't here? Why don't you pull out a "map" of Poland which has specific places marked on it, and the personnel which would purchase, slaughter, and sell on its own? Why didn't you develop a slaughtering system which would replace the monopolist when the chance came? Then it wouldn't have been necessary to ask the state to guarantee profitable prices, which is a negation of marketization....

[Balazs] To marketize on the strength of a single law, passed by a government which practically does not exist, is baloney. These decisions were taken away from the parliament. I say "decisions" in the plural form because marketization cannot be accomplished in one stroke. It should be a constant process, coordinated on all levels. Furthermore, in answering you, we must accept certain facts. Our union exists for a couple of months and for 8 years it was persecuted. We fought to survive. In a climate of imprisonment, isolation, raids, interrogations, summary courts, it is not possible to develop "maps" and programs and have everything in top form.

[TYGODNIK POWSZECHNY] Let us go from the Sejm to the fields. This is harvest time. What are the most acute shortages this year?

[Balazs] Twine, of which there is none, and rape, of which there will be none next season.

[TYGODNIK POWSZECHNY] The shortage of twine is nothing new. I remember that even back in the 1970's it was said that there would never again be a shortage of twine.

[Balazs] Yes, this is a scandal which repeats itself. The government said that it will give preferences to agriculture, but just as there was no twine with which to bind sheafs before, so there is none now. This is the height of ignorance and arrogance. This entire government should be bound with twine and put out for the peasants to flog. The situation with rape is also calamitous: it remained at the April price (other crops were raised 20 percent) and with greater expenditures, crop yields are smaller. At the present ratios, the price of a quintal of wheat is the same as the price of a quintal of rape, and wheat crop yields are twice as high. The conclusion is simple: the peasants will stop sowing rape.

[TYGODNIK POWSZECHNY] It is not the rape which poisons, as any housewife will know....

[Balazs] There is a variety which contains a high amount of a poisonous acid. That is why we went to the so-called 2-zero rape, which has a minimal amount of this acid. Its yields are even lower, therefore the incentives for farmers should be greater.

[TYGODNIK POWSZECHNY] Every year I go to the countryside. I am getting poorer and the countryside is getting richer. They even say "when we were poor," as if it were a historical statement.

[Balazs] That is basically a false image, and unfortunately, many people have it. If someone were to assess the degree of mechanization of my equipment and everything that he sees around me, he would say: "A rich man," and that would be untrue because those are only means of production. Farmers invest and build up their farms on the basis of credits which they must repay over a period of many years from many hours of work each day. Everything has to go right. If there is any kind of misfortune I cease to exist. The measure of how sweet it is in the countryside is the fact that the young people are constantly leaving and more and more land is lying untilled. Please, please, let's not ruin the farmer....

[TYGODNIK POWSZECHNY] Not ruin him? Why? If he has it so bad let him leave the countryside. Let him make something in the city for which we will buy food. Finally, throughout the entire world there is the matter of cost effectiveness, and as you said, we have to become normal.

[Balazs] I agree, but what are we supposed to produce instead? If the state is so rich that it can buy this food then very well. I can go into electronics, in return for which food can be bought abroad. Except that in our country there is not enough export of electronics and there will not be, to be able to feed the nation from it.

There is nothing that could be exchanged for food. Therefore, for now, the peasant has to stay on the land and the state must help him in this. I would also put the money from the West into agriculture, because in 2 years it will return this money in the form of food, and in 5 years the debts can be paid from these yields. We must reverse the direction—instead of from the countryside, to the countryside. Today a farm with equipment and livestock costs 100 million zlotys. And here I return to the matter of profitability. The lowest interest rate is 25 percent, which practically excludes any one who would like to come to the countryside and begin to farm normally. I repeat, normally, not with one pony and a plow. That is why I must demand preferences for agriculture....

[TYGODNIK POWSZECHNY] Out of the state treasury, which is dispensed by the government. Do you have a guarantee that it won't botch up the job again?

[Balazs] This would have to be done completely in the open, without hiding anything. In coordination with the union, in public discussion....

[TYGODNIK POWSZECHNY] We already held consultations on the theses. You said the union. Has the situation not yet reached the point that your union, which when it was formed had its own reason for existence, could become the peasant party?

[Balazs] You are right. I believe that situation has reached the point that our political activity should stop being a byproduct of union activity. I think we should be able to find an outlet for political passions in such an organized structure as the party. I see an enormous need. The mental and political conditions are there for this intention to be fulfilled. Now, when food has become a political problem of undescrivable size, a peasant party of a more general character is needed. This party should have its origins in the countryside but its backing in the city, among the intellectual elite. It should go beyond the country lanes and become a party of people with imagination, who understand the problem of food in a broader context, as the national wealth for both now and later....

[TYGODNIK POWSZECHNY] We have a history of this, to which here, in the Sejm, not you but the ZSL [United Peasant Party] has referred.

[Balazs] Their leaders like to look for origins. In 1980 they sought them in Witos. They wake up at those times when the nation is arising, but at other times they are asleep and desert us in our hour of need. On the lower levels, however, really everyone is uniting. ZSL members are members of Rural Solidarity. I believe that the traditional common sense of the peasant is responsible for the fact that various authentic political movements in the countryside form one strong party. Many activists on the gmina level should again find a place for themselves in it. On the other hand, I am against an overhaul of ZSL as such. That would not be very realistic because the administrative apparatus of this party is sufficiently resistant to all healing influences.

[TYGODNIK POWSZECHNY] A third force, therefore?

[Balazs] Yes. It would be a big mistake to create several parties all at once. That would serve the interests of the countryside badly. It is in the interest of Poland to create one party in the countryside. I repeat, I am betting on peasant common sense in this case....

[TYGODNIK POWSZECHNY] But really, when do Polish peasants unite? Only when there is a fire. At other times the Polish peasant is xenophobic, vindictive, narrow-minded, venal, and given to quibbling and paranoia. He will stab you with a pitchfork and club you with a stake.

[Balazs] You are provoking me, so I will add the following: He is mentally healthy, poised, and loves his fatherland without reservation. Peasants do not emigrate; they identify not only with the land, but with the culture, language and customs. Those are the features that I am betting on in the future party, and I do not conceal the fact that it would be the fulfillment of my political aspirations.

[TYGODNIK POWSZECHNY] Would it not be better for you to produce Tokay wine, following the example of your forefathers, than hogs in Wolin?

[Balazs] It was already my grandfather who, having married a Pole, settled in Poland, near Lvov, on the land, and took Polish citizenship back in 1922. My father completed higher agricultural studies and although I, as a 7-year-old, helped him paint fences because there was no other work for him—he wanted me to be a farmer. And that is what happened. When I finished the agricultural polytechnic I bought a farm. I obtained my master's degree through extension courses in the belief that a farmer, especially one who knows politics, should be educated.

[TYGODNIK POWSZECHNY] You were lucky that your wife, your classmate from the polytechnic and a specialist, can raise those few hundred hogs while you are politicking. Would you like any of your daughters to stay on the farm?

[Balazs] I would like all three of them to stay on the farm.

[TYGODNIK POWSZECHNY] The oldest received a high grade on the competitive examination for the Immaculate Conception Order secondary school in Szymanow. This order arose in the 19th century with the idea of educating enlightened, progressive Polish women. It happened that at that time these were mainly the daughters of the landed gentry. Could this be a return to that?

Foundation of Friends of Lvov: Trade, Cultural Contacts

26000694 Warsaw ZYCIE WARSZAWY in Polish
24 Jul 89 pp 1, 4

[Interview with Bohdan Wojcicki of the Foundation of the Friends of Lvov, by Krzysztof Maslon: "There's No Place Like Lvov"; date and place not given]

[Text] [ZYCIE WARSZAWY] The Society of Lovers of Lvov, in which you are actively participating, has already come to the attention of the public for many successful undertakings. Its service has gained recognition and renown. Why establish an additional Foundation of the Friends of Lvov?

[Wojcicki] For one simple reason. A society cannot carry on economic activity. That is what the statute says.

[ZYCIE WARSZAWY] In the foundation, you are involved with tourism and trade....

[Wojcicki] That is to say, I want to be involved with them. I am already in a position to announce excursions to Lvov and Vilna. Starting in September, the Lew Tourist Agency will be organizing 4-day motor coach excursions to Lvov and 3-day excursions to Vilna.

[ZYCIE WARSZAWY] How much will they cost?

[Wojcicki] If inflation does not go crazy, about 60,000 zlotys.

[ZYCIE WARSZAWY] Not much, by today's standards. You will probably have a lot of customers.

[Wojcicki] Right now wherever I have presented my proposals, I have met with immense interest, with point-blank requests that excursions to Lvov and Vilna begin immediately. (The Lew motor coaches are to go to the Soviet Union twice a week, and we take care of all the formalities, assuring comfortable living arrangements and an interesting tourist and cultural program).

[ZYCIE WARSZAWY] September is not far off. We shall probably be taking advantage of Lew's services and will be able to judge for ourselves about the quality of services offered by your tourist office.

[Wojcicki] Just a minute...First we have to have an office.

[ZYCIE WARSZAWY] Pardon....

[Wojcicki] Let me put it another way—a location for an office. Right now, despite assurances from the appropriate people at the capital city hall, the whole matter is proceeding at a snail's pace in an incredible way. For the time being, the foundation is operating out of the International Press and Book Club on Zabkowska Street. Lew will find a haven at the U Szczipka i Tonka Coffeehouse, while the trade plans will have to be deferred until a later date, unless the deputy president of Warsaw city, Zdzislaw Tokarski, says "A" soon and then says "B."

[ZYCIE WARSZAWY] What would you like to trade with Lvov? We have nothing to offer, and they do have a little more than we do. Perhaps you mean to import from them; I will not argue with that.

[Wojcicki] Let us not exaggerate. Our tourists do not go to the USSR just to see the monuments. Soviet citizens are also interested in something more than Poland's history alone. Nor do I have the intention (or the possibility) of helping anyone out in their currency exchange transactions. I want to trade in those items for which I see a need—both in Warsaw and in Lvov.

[ZYCIE WARSZAWY] You would do the biggest business in colored televisions....

[Wojcicki] Without a doubt. But that does not come into play. What I would like to sell in Warsaw is Ukrainian folk products, sweaters, bedspreads, scarves, and bedding. I would also like to sell clay and wooden originals and pictures and drawings of old Lvov. This is much more important than making lots of money.

[ZYCIE WARSZAWY] Warsaw has its Natasha shop. Would it not be possible for this shop to include items from Lvov to offer for sale?

[Wojcicki] Yes, that is possible and it could happen. For the present, however, it sells silver, and not Soviet products.

[ZYCIE WARSZAWY] You mentioned problems with finding a location. It seems, then, that we shall have to wait for a Lvov store in Warsaw.

[Wojcicki] Problems—that's an understatement! The only firms in Warsaw today are Western firms. The Puma shop has opened and others will follow. But what about firms that are not as wealthy but still appeal to the residents of Warsaw?

[ZYCIE WARSZAWY] They will just have to get rich.

[Wojcicki] That is nothing new to me, but only let the powers that be allow me, the director of the Foundation of the Friends of Lvov for Tourism and Trade Affairs, to earn money. Today, when so much is being said and written about cooperation with lands that are related to Poland culturally, all the complications are becoming more and more incomprehensible. Incidentally, if the editors of ZYCIE WARSZAWY will indulge me, I would like to give the account numbers of our foundation: in zlotys—1560-297152-132-3 PKO VI O/M in Warsaw and in foreign exchange—401054-3489-151-6-787 / Export Development Bank Joint Stock Co., Warsaw, Jerozolimski Blvd 44. And, since everyone is not aware of it, I would like to add that according to article 27, paragraph 1, item 2, letter "b"....

[ZYCIE WARSZAWY] Spare us, please....

[Wojcicki] ...of the law dated 23 December 1988, concerning economic activity (DZIENNIK USTAW No 41, item 325), gifts for socially useful purposes are tax

exempt. It was because of this that the stock company Sudi, which sells computers, gave us a sizable donation.

[ZYCIE WARSZAWY] Whoever is convinced that "there's no place like Lvov" already knows about the possibility of its success and also where to pay in his "bricks" for the Lvov foundation. But you still have not told us about the reaction of the Soviet and Ukrainian authorities to your initiatives.

[Wojcicki] They have been extremely supportive, incomparably so. Moreover, in Lvov there are already two Polish stores in operation: Rzeszow and Igloopol. A third, which will have a more culture-oriented profile, will be well-received there.

[ZYCIE WARSZAWY] What do you mean by a "culture-oriented profile"?

[Wojcicki] We wish to begin with Cepelia books and products, but we do not intend to restrict ourselves to trade. I have in mind a considerable expansion of cultural exchange. When I worked for some time in the Association of Entertainment Enterprises, I learned the secrets of our entertainment and, to use the official language, our concert activity.

[ZYCIE WARSZAWY] Well, then let us return from Lvov to the jungle.

[Wojcicki] There is one thing I know. Concert performers from Lvov, from the other cities of the Ukraine and from the other Soviet republics, taken generally, represent a much higher level than our performers. They are true professionals, who know how to sing, dance, and act on stage. On the other hand, it is no secret that they are very attracted to performing in the West. Poland is a stop on that route. And here the agents—for they are only agents—push them on further, in the meantime earning so much that \$1.00 equals 10,000 zlotys for them. I do not have to explain the usefulness of such activity, or who it is that benefits from it.

[ZYCIE WARSZAWY] I understand that you, too, are annoyed by the inflated dollar rate.

[Wojcicki] That is not the issue. My dream is for our public to know these artists, for them to display their artistry here in Warsaw.

[ZYCIE WARSZAWY] Their Lvov artistry?

[Wojcicki] For the most part, but not exclusively. Our entertainment scene is deplorable and will not be harmed by a few good examples.

[ZYCIE WARSZAWY] I am entirely in agreement with you on that score. Well, we wish you the best, we appeal to the municipal authorities for support for the Foundations of the Friends of Lvov, and are getting in line for tickets for the trip to Lvov and Vilna.

[Wojcicki] I shall request tickets for you today.

Lodz Development Bank: NBP Relationship, Credit Policy Viewed

26000727 Warsaw ZYCIE GOSPODARCZE in Polish No 35, 27 Aug 89 p 7

[Interview with Janusz Lucki, president, Lodz Development Bank, by Zbigniew Grzegorzewski: "What Does 'Commercial Bank' Mean?"; date and place not given]

[Text] [ZYCIE GOSPODARCZE] It was the enterprises that created the Lodz Development Bank [LBR], out of their own money. In this way the enterprises voted for separation from the NBP [Polish National Bank] monetary policy. The Lodz Development Bank was the first real commercial bank. Actually, the regulations passed this year in banking law are especially important for you, because only a banks' bank and banks distinct from the NBP could be satisfactory. While the discussion on drafting the final version of the law was going on you expressed many concerns and reservations. Are all these concerns and reservations now behind you?

[Lucki] I think that the chapter of the law concerning bankruptcy and liquidity of the banks is a legal scandal. The NBP president has unlimited authority. He can close any bank and transfer its assets. It is understandable for the NBP president to supervise and coordinate the banks and to exert influence on the banks so that they carry out the state monetary policy, but if cooperative banks or banks in the form of corporations (like ours) come into being, they will have their own owners. The decision to close down must rest with the owners! The Legislative Council sharply criticized the regulation on bank closure, when the law was being discussed, considering it legally inadmissible, but a few days later the law was passed by the Sejm like that!

Many regulations were taken out of the draft bank law, but they were transferred to the law on the Polish National Bank, which is after all another legal document of the same rank. For example, this law states the NBP bank inspection office's jurisdiction with regard to other banks. The inspection office gathers conclusions and presents them to the NBP president concerning the revocation of a given bank's powers, as well as concerning the revocation of contracts the bank has signed. I understand that this can apply to state banks, but it might also lead to undermining the credibility of banks which are truly commercial banks.

On the other hand, the Bank Council has become less significant, compared to the way the old law read. It has become merely an advisory body to the NBP president, but it should have the status of a body creating opinion on the outside by assessing the monetary policy of the state, the government, for example, for parliament.

[ZYCIE GOSPODARCZE] And in practice?

[Lucki] For the moment these are only dead regulations. They haven't been put into practice yet. I don't feel tied down. We have been given greater freedom than others.

With us the arrangement is more that of partners. Practice today is the way it should be—I want to emphasize this—but we have no assurance as to what it will be like in the future. Throughout the world's central banks, some of them specialized institutions created for this purpose, have far-reaching authority to supervise the banks, but not so much as this. It is hard to avoid the impression that the people who wrote the text of the law grew up in different times. After all, they created the previous bank law and the regulations going back before that. They are thinking the way people did in the 1960's.

[ZYCIE GOSPODARCZE] Let's go back to the issue of independence in formulating credit policy. What about last year's vote of separation in terms of the present day?

[Lucki] The banking system has been reformed in terms of organization. What was termed a commercial bank has emerged from the NBP structure, but we still have substantial differences. From the beginning we decided to operate like a real bank. We do not assess the enterprises' credit capabilities. We think that "capability" is a bank characteristic but not an enterprise one. The customer has to decide whether he is spending money properly. On the other hand, our concern for our business is expressed in the way we differentiate the interest rate. We use the interest rate to encourage the customer to engage in short-term loans, so that credit is not used to finance the constant needs of turnover. Credit should be used temporarily (and not on a permanent basis) to meet needs for funds. We differentiate the rate of interest on the basis of the credit's ratio to the value of the customer's pure turnover capital. By raising the interest rate we incline the enterprise to limit its credit demand to an amount not greater than the amount of its own funds or to have it increase its own funds. Anyone not meeting these conditions pays more for the credit obtained, but we have not yet applied the highest rate set for national banks, 66 percent.

[ZYCIE GOSPODARCZE] What is the assurance for the LBR?

[Lucki] Basing the bank's security on the variable factors of the firms' assets.

[ZYCIE GOSPODARCZE] You don't use a "credit capability assessment." Do you often have enterprises come here who have not proved this "capability" to other banks?

[Lucki] Most of our customers are firms which either have not obtained credit from other banks or have received less credit than they wanted. They come here after having been unsuccessful, because many of them still don't know we exist.

[ZYCIE GOSPODARCZE] What is your interest rate on credit? How competitive are you with the other banks?

[Lucki] A good rate for investment credit is now 48 percent. And I know of no other bank offering such cheap credit.

[ZYCIE GOSPODARCZE] So what is your assessment of the credit policy created by the LBR?

[Lucki] Throughout the country the demand for credit is somewhat greater than the banks' financial capabilities. If this were all we had to go by, we could say that the credit rate in use is even a few points too low, but I think that to stimulate our economy's developmental capabilities it is already too high now. We are dealing with the influence of inflation, which slows development. Undertaking long-term investments is bordering on the absurd. Even with the greatest investment effectiveness, an enterprise cannot make enough to repay the bank, and the level of the interest has an impact on prices, which is why the credit policy is inflationary.

[ZYCIE GOSPODARCZE] What makes it possible for the LBR to adopt this significantly lower interest rate?

[Lucki] First of all, the structure of liabilities. A very large share of credit operations is financed out of our own money, 3 billion zlotys. The possibilities for direct financing are very limited in all the other national banks. They have more capital altogether, but in terms of the credit operations they have, the percentage is small.

We also have the advantage that, because we are the first of the banks developed out of the NBP structure, we don't have to hold loans on central government investments begun earlier.

[ZYCIE GOSPODARCZE] If there is not much activity in granting credit, then this could be the reason for a good structure of liabilities.

[Lucki] It could, but I ascribe it to our activity along with balance. We have been in operation for several months, but we have received 60 proposals for new branches. We won't need more than 15 for 3 years. We already have a branch in Kielce, and we are starting up soon in five other cities. We have more than 200 shareholders. We are in the process of selling a third and fourth stock offering. We are making bearer stock offerings, because of interest from private parties.

Up until now nobody has availed themselves of refinancing credit from NBP. NBP was surprised that we applied for such credit, and it was granted up.

The greatest profit comes from turning over our own money, so we are interested in increasing our capital.

And we have actually started turnovers in foreign exchange, in two forms. We have opened the first foreign exchange accounts. We have started selling bonds for foreign exchange! We have commercial paper in circulation, some in dollar denominations.

[ZYCIE GOSPODARCZE] What is the incentive for depositing foreign currency in the LBR?

[Lucki] Nobody in our country has tried to sell bonds for dollars, let alone those issued by a bank, but this is the most attractive form of depositing foreign exchange on a world scale.

[ZYCIE GOSPODARCZE] It is hard to believe....

[Lucki] We made the assumption that these would be zero-coupon bonds. While you keep them, there is no interest, but they are sold right away at a discount, at half the normal price. At the end of 7 years, they assume their full value, so they can be considered to have the highest interest rate offered by banks. These bonds are also sold for zlotys, so the customer doesn't have to wander off to the foreign exchange office and then return to us. The fact that you don't actually have to keep these bonds for 7 years is an added attraction. You can exchange them for any currency, except that the value of the bond changes from month to month, and LBR branches give an up to date account of the current value of the bond. The commercial paper can be sold to our bank at any time, less a 3-percent margin. They are issued to the bearer, which is also important. We want to interest enterprises in this proposal, because for the moment all we are getting is a whole lot of private individuals.

[ZYCIE GOSPODARCZE] The success of future stock options will depend on the benefits which stockholders gain from the securities they already have.

[Lucki] We have a self-financing plan approved by the Bank Council. Today I can say that there are no problems with carrying it out. I don't want to say exactly how high the dividend will be or whether it will prove to outpace inflation, but it will be a more favorable place to put capital than to deposit money in a time account in another bank, especially since the enterprises don't pay taxes on dividends.

[ZYCIE GOSPODARCZE] What is your assessment of the market's absorptive power for stocks?

[Lucki] In this country there are a large number of firms which have billions lying around. The directors of most enterprises are absorbed with ongoing matters and don't stop to consider what benefit they could get from the money they have. I don't urge them all to buy stock, because in order for them to come up with cash quickly the stock must be sold, which may not be so easy at the time.

[ZYCIE GOSPODARCZE] Does that mean that a bank needs a stock exchange?

[Lucki] Banks sell 80 percent of the securities worldwide. The stock exchanges only supplement this. The current assessed value is verified on the stock exchange, but the stock exchange is not essential in order for the stock to be traded.

[ZYCIE GOSPODARCZE] But without an exchange it is difficult to determine the real value of the stock you are issuing.

[Lucki] Actually the price is set by us arbitrarily. For the third release it will be 670,000 zlotys, and for the fourth, 700,000 zlotys, while the nominal value is 500,000 zlotys.

[ZYCIE GOSPODARCZE] Murmansk turned up in the LBR plans.

[Lucki] A company was set up in Murmansk with the goal of supporting initiative related to creation of a special economic zone there. We signed an agreement, but there is still a long way to go before we get to any concrete operations, to the opening of LBR offices there. This does not alter my opinion that having special zones in the USSR has been a wiser thing than the way things were set up here. In Poland everyone wants to create tariff-free zones, which is an anachronism to me, because soon Western Europe will no longer be separated by borders or tariffs. Special economic zones, on the other hand, will still make sense.

[ZYCIE GOSPODARCZE] In closing, I would like to know what place LBR occupies among the banks.

[Lucki] In terms of our balance sheet we are the smallest. The next to last is the Export Development Bank, which presently has between 10 and 12 times as much on its books as we do. The arrangement of domestic banks shows that we have the best structure of liabilities. Here we can compete with PKO, because all the other banks are in a far worse situation, but after all PKO has a monopoly on citizen savings. Our credibility is unquestioned.

[ZYCIE GOSPODARCZE] Except that the zloty is becoming abstract, given the galloping rate of inflation. Nobody knows what it's going to be worth in a couple of weeks.

[Lucki] All the more reason why a person with money ought to invest it wisely. Inflation does not undermine the *raison d'être* for a bank being operated well. Today the majority of our credit is still turnover credit. This is unfortunate, because our priority is investment credit. Investment results often have an influence, but from firms which don't have enough fixed assets yet to provide us with enough security and can't find anyone to stand guarantee for them who has enough assets to back them up. This is why we are entering into talks not only about credit but also about our role as a joint financing institution. We will give priority to enterprises involved in inculcating technical ideas in depth. This is such a concept: To produce alcohol from the whey which is used in turn to get dyes out of plants. The whey will not wind up in the rivers, and the production makes a very good profit, with possibilities of export for dollars. An entirely new technology, finally in keeping with the times in which we live. Good investment is also a way to combat the influence of inflation. We always maintain as our key principal that our bank operates in the interest of profit and supporting the development of the enterprises.

[ZYCIE GOSPODARCZE] Thank you for the interview.

Population, Other Statistics on Children Provided

26000726a Warsaw ZYCIE GOSPODARCZE in Polish
No 33, 13 Aug 89 p 11

[Article by H.S.: "All Our Children"]

[Text] More than one-fourth of our society consists of children up to 14 years old. According to the GUS [Main Statistical Administration], they total 9,635,000. More than 59 percent live in cities. Boys predominate, accounting for 51 percent.

Some 19 percent consist of children up to 2 years of age; 28 percent, 3-6 years, and 53 percent attend elementary schools.

Compared with 1980 the number of children has increased, chiefly in cities. But since 1984 the birth rate has been declining. In 1984 the number of births was more than 15 percent lower than in 1980. It is expected that during 1991-95 the birth rate will decline by 450,000 and during 1996-2000 by an additional 500,000. A substantial demographic nadir is anticipated for the years 1992-94, for then the birth rate will be approximately 550,000-570,000 a year. But elementary schools will be crowded, since they will be attended by children born in the early 1980's.

A child born in 1988 was most likely the first or second in a family. About 6 percent of children were born out of wedlock, more often in town than in the country. In 1981 they accounted for 4.6 percent.

In 1988 the death rate for every 100,000 children 0 to 14 years of age was 131 (in 1980, 217), with newborns accounting for 93 percent of the deaths.

Among school and boarding-home pupils, more than 2.1 million were classified as requiring constant medical care, most often owing to defects and diseases of the organ of vision. Irregularities in state of health were found in one-third of the child and youth population. In 1988, 756,700 children were hospitalized, with 13,000 in anti-TB institutions.

Some 4.5 percent of children up to 3 years old attended nurseries in 1988 and 4,400 were kept in infant homes. This year nearly a million children, or 50.1 percent of all children 3-6 years old, are attending preschools. In 1988 765,500 mothers were granted child-raising leaves.

A total of 5,165,000 children are attending elementary schools. Their rising number is resulting in a growing overcrowding of schools. Second shifts in schools are being attended by 24.6 percent of children (more than 30 percent in cities) and third shifts, by 1.4 percent (2.3 percent in cities). A total of 2.3 percent of students repeat the same school grade—most often, grades 4, 5, and 6—and 84,500 students attended special schools in the 1988/1989 school year.

Some 68 percent of spouses who were divorced last year were supporting children up to 18 years old. Each year parents of 50,000 children get divorced.

Recent Investments in Food-Processing Industry Discussed

26000726b Warsaw RZECZPOSPOLITA in Polish
5 Sep 89 pp 1, 3

[PAP Report: "Difficult but Indispensable Investments: In the Food Industry"]

[Text] According to the press spokesman for the Ministry of Agriculture, on 4 September was held a meeting of members of the leadership of the ministries of Agriculture, Forestry, and Food Industry as well as Land Use Management and Construction, attended by Kazimierz Olesiak and Bogumil Ferensztajn.

The status of the implementation of investments in the food industry was evaluated, with special consideration of the agricultural and food industry.

During the first half of this year investment outlays totaling 850 billion zlotys in current prices were made in the agricultural and food industry. Of this amount, 616 billion was spent on investments in agriculture. Investment targets in socialized agriculture were met to a satisfactory extent. On the other hand, the much lower than planned level of investments in nonsocialized agriculture is disturbing.

Investment outlays on the food industry during the first half of this year totaled 172 billion zlotys. The most important 53 projects were supported by government orders, and 25 of the plants represented centralized investments. The principal investment projects include: grain elevators, refrigerated plant warehouses, meat processing plants, fat processing plants, dairies, and bakeries. During the first 6 months of this year more than 50 percent of the annual plan was fulfilled for this group of targets.

The meeting confirmed that the implementation of food industry investments continues to encounter various difficulties, especially as regards supplies of materials, including building materials. There also exist problems in obtaining the needed equipment and financing. The reduced access to investment credit in 1989 was found to be disturbing. This is due to the high inflation rate. The financial restrictions introduced so far will cause a slower growth rate of investments on certain construction sites during the second half of this year.

YUGOSLAVIA

FEC Vice President Discusses Trade With Soviet Union

28000186 Belgrade INTERVJU in Serbo-Croatian
18 Aug 89 pp 4-7

[Interview with Aleksandar Mitrovic, Federal Executive Council (FEC) vice president, by Dragan Bujosevic: "Debts Stimulate Inflation"; date and place not given]

[Text] Trade with the countries of the so-called clearing market has caused a considerable amount of fighting this summer in Yugoslavia. As is already customary in our country, that fighting immediately shifted from the economic to the political level.

The principle of the trade is as follows. The domestic producer, after concluding the export deal, immediately gets an appropriate amount of dinars from the National Bank of Yugoslavia [NBY]. In contrast to a good, they act as demand in the domestic market. There would not be any problem if an equal amount of goods were imported from the Soviet Union, because then our exporters would deposit the dinar equivalent value in the bank.

Since November 1985, however, when Yugoslavia's credit balance amounted to 114 million clearing dollars, it has continually increased, and at the end of last year, according to the official data, it amounted to 1.2 billion clearing dollars, and at this time, it has reached 1.4 billion, according to some people, and 2.4 billion, according to others.

This amount actually represents an interest-free credit from us to the Soviets, and at the times when that surplus arose, it had an extremely inflationary effect. Federal Executive Council President Ante Markovic stated from the podium at the SFRY Assembly that the issue of money during the first 3 months of this year based on clearing was 3 times higher than for other purposes. Consequently, the Currency Institute in Topcider worked at full steam to cover clearing exports.

Although the clearing exporters are represented in all of our federal units, Serbia was the only one at the beginning of the summer to speak out seriously against the "anticlearing policy" of the federal government. Serbia rebelled primarily against the decision to postpone billing for clearing exports by 60 days.

That decision by the FEC, which in any case is quite illegal (and the government which talks about a new socialism and a law-governed state knew very well that it was illegal), could also be the reason for the adoption of budget rebalancing as a temporary measure.

Nevertheless, the FEC withdrew that decision, but it did not renounce the intention of incorporating it in one of the laws that it is preparing for the fall.

The interesting thing in this story was that Slovenia, as the third largest clearing exporter, and the champion in terms of this year's surplus in trade with the Soviets, proposed postponing payment for exports by 90 days.

The summer was left for calming passions and attempting to bring about better understanding between the two sides, if two sides even exist at all in this case, since when one lays bare the accusations and hot words, it can be seen that neither side disputes the extreme significance of the Soviet market for the Yugoslav

economy, and both sides repeat that the volume of trade with the Soviets should not be reduced.

The reader, of course, is aware of the size of that market, for which an order of 50 million pairs of women's stockings is normal, but he is less aware that we also obtain extremely strategic raw materials from there. The story of the helicopter, however, points out several other advantages of that market for us.

Told briefly, the story of the helicopter is as follows: it is essential to our army to replace its medium-sized transport helicopters. In the Western market, it did not find ones that would meet the tactical and technical requirements of the JNA [Yugoslav People's Army], and those which were close to those requirements cost \$7 million, 2 years ago, now \$13.4 million. Only a small part of that amount could have been paid for in goods, and the rest had to be paid for in hard dollars. The Soviets offered an aircraft that meets the JNA's requirements and has excellent characteristics. Its price is \$3.7 million, and we would pay for it by producing parts for the latest generation of Soviet passenger aircraft, the Tupolev-204 and the Ilyushin-114. With those parts, we will also pay for another type of helicopter that will reach us in 1995, when it will cost \$9 million. We will make up 20 percent of its price with equipment and parts that will be installed in all helicopters of that type.

Finally, as proof of the attractiveness of the Soviet market, we will cite the structure of our exports to that area: machines and transportation equipment, 62.3 percent; consumer goods, 19.6 percent; raw materials and semimanufactures, 15.2 percent; and food products, 2.9 percent.

That is the preface to our conversation about clearing exports and their subsequent fate with FEC Vice President Aleksandar Mitrovic, who recently also had talks with his Soviet counterpart.

[INTERVJU] In general, how large is our trade with the Soviets, and how do you see its significance for Yugoslavia?

[Mitrovic] Everyone must know that in Yugoslav trade, the Soviet Union is our first and largest partner, and furthermore, incomparably the largest partner, essential and extremely necessary. Without it we would not have the trade with the world that we do, nor our supply of raw materials, nor the volume of production, nor exports to the convertible area. Both when trade with the Soviets was 35 percent of our trade with the world, and now, when it is around 20 percent, the Soviet Union is our first partner.

The protocol for this year provided for trade at the level of \$5.7 billion, but that is not all. There are also barter transactions, convertible exports, the employment of our construction crews... so that the total volume of trade is about \$7.5 billion. According to the protocol, our exports are \$2.9 billion, and our imports \$2.8 billion, and more than 90 percent of the transactions have

already been concluded in six months. I believe that the protocol for this year will be fully implemented.

If one compares this year's 6 months with last year's, one can see a 9.9 percent increase in our exports, and a 19.5 increase in our imports. I mean to say that last year, an enormous surplus was achieved, for which there is no justification.

It is important for me to say that during the 6 months, we achieved convertible exports to the Soviet Union worth \$380 million, consisting of medicines, detergents, soap, clothing, and footwear, including exports through Italy and Austria. That is treated as our exports to those two countries, but they did not see them; only the papers went through those countries, and the goods went directly to Russia. When we have \$300 million in convertible exports to someone, I think that is a huge success.

There is also a large volume of capital construction work. There was \$600 million contracted for 5 years, and that has already been exceeded in 3 and a half years.

Our basic goal, and mine in my talks with Vice President Silaev, is not to reduce the level of trade, but rather maintain it at this level, and have all increases in trade come through our convertible exports, barter transactions, and increased capital construction work.

[INTERVJU] Does that mean that our credit balance would not increase?

[Mitrovic] Yes. We would not increase it.

[INTERVJU] How much is the surplus in trade with the Soviets? Are there different figures?

[Mitrovic] One fact is that it amounted to \$1.386 billion at the end of last year. There is also a swing credit (\$350 million) used by one of the partners. Until 3-4 years ago the Soviets were constantly financing us, and now we are doing it. There is also a \$555 million credit which we gave to the Soviets, i.e., part of the payment requests which we converted to a credit so that we could charge interest on it. With these figures, the amount due climbs to \$2.291 billion. This year the credit balance increased by \$343 million, so that then the total amount outstanding would be \$2.364 billion.

[INTERVJU] There are numerous proposals for freeing up this Soviet debt. In the talks with them, did you arrive at any concrete means and terms?

[Mitrovic] To a considerable extent, we have reached an agreement with the Soviets. We will use part of the credit balance to repay intergovernmental credits which the Soviet Union gave to Yugoslavia. The agreement is that we will repay \$650 million. Those are credits which have to do with ferrous and nonferrous metallurgy. They involved Smederevo (\$200-300 million), Zenica, Sisak, and in part, the oil industry. Each republic and province has a share in this, with the largest shares being those of Serbia, Bosnia-Herzegovina, and Montenegro.

We signed an intergovernmental protocol on this, and we believe that our Assembly will accept it.

Another means of using the credit balance would be gasification in Yugoslavia, for which \$700 million would be used. We would completely finish gasification in the entire country, and we would use 10-12 billion cubic meters of gas, whereas we are now using about 4 billion. We would thereby also free ourselves to a considerable extent from oil imports from the convertible area, and significantly improve our ecological situation. In addition to gasification, we would also obtain sheet metal for pipes, fittings, and construction machinery that would be used by our enterprises. We were also offered 1-2 billion cubic meters of gas for export to the West.

Thus, with these two applications, our official credit balance would be reduced from \$1.386 billion to \$36 billion in 2-3 years (the length of the gasification).

Furthermore, our \$555 million credit to the Soviets remains. We have proposed that it be used for joint investments in the USSR, in an iron works (iron slabs for the Skopje steelworks), a cellulose factory (raw material for Ivograd), a chemical factory (for Jugovinil, Prva Iskra, Ohis, and Dita), a forestry complex, and a mine for iron ore and concentrates (for Smederevo). The proposal was accepted in the talks, but it also has to be approved by the official bodies. We will know the answer in October.

[INTERVJU] And what about the Belgrade metro?

[Mitrovic] The metro is further removed in time than these transactions, along with bridges in Belgrade and Montenegro, hydroelectric power stations in Slovenia on the Mura and Sava rivers, the Trbovlje thermoelectric power station, and a system for transferring electricity between Hungary and Italy, across Slovenia. The Soviets, however, have agreed that the \$500-million credit they approved for us, of which we have used \$70 million, can be used for designing these undertakings. The credit is for 12 years, with a favorable interest rate, and if it wants to, Belgrade can use it immediately for designing the metro.

[INTERVJU] How true is it that domestic inflation is not affected by the total credit balance, but only by the part of it created during the current year?

[Mitrovic] Domestic inflation is affected only by the amount outstanding from clearing partners for the current year. That \$343 million is directly inflationary. The problem, however, is that the total debt is unregulated, illegal, and interest free, and that it is not converted into a contract.

[INTERVJU] Are there estimates as to how much inflation is affected by amounts outstanding in the convertible area, and how much by large foreign exchange reserves?

[Mitrovic] They have an effect, naturally. There are the amounts outstanding to us from, for instance, Libya,

Iran, Iraq, the Sudan... Their total debt is about \$4.5 billion, and the due but unpaid part has an effect on inflation. So far the Yugoslav government has agreed to have part of it paid with oil and other products, and to have part rescheduled for several years. We will not continue to do that. Whoever has carried out the work or exported will have to bear the burden of the debt. The same applies to the clearing area as well.

Foreign exchange reserves also have a large inflationary effect. They now amount to \$4.6 billion. There are estimates that we need reserves of \$1.5-3 billion, but we think that they can even amount to \$3.6 billion.

[INTERVJU] The new foreign exchange law proposes that the exchange rates for the hard and clearing dollar depend on supply and demand. Will foreign currencies grow more slowly with respect to the dinar because of large foreign exchange reserves?

[Mitrovic] The slowing of the exchange rate of the hard dollar because of the level of reserves is already having a favorable effect, but with inflation like this, it does not have the kind of results that it would with double-digit inflation. It is significant that the supply of foreign exchange is larger than the demand, and so the NBY has bought up \$661 million, and \$7.5 billion has passed through the foreign exchange market. It is worth stating that the foreign exchange reserves are not just from noncommodity earnings, because the extent to which our imports are covered by exports is about 94 percent, and 114 percent with respect to imports from the convertible clearing area [sic]. In the first 7 months of this year, Slovenia had the largest surplus in the clearing area, \$130 million, followed by Serbia proper with about \$70 million (Serbia as a whole had larger imports, because Vojvodina receives oil from the USSR), and Croatia, with \$60 million.

The new foreign exchange law has the same principle for convertible and clearing foreign exchange. With convertible currencies, the first criterion is supply and demand (the influx and outflow of foreign exchange), while with clearing currencies, it is the supply and demand for goods. The second criterion for the convertible area is achieving balanced payments for the country, and for the clearing area, it is balanced trade with the other country. The third criterion for the convertible area is domestic inflation, and for the clearing area, a basket of convertible currencies...

[INTERVJU] What is meant by the indirect recognition of our inflation with the clearing dollar?

[Mitrovic] Yes, there is indirect recognition. The linkage is to the basket, because our goods would go to the areas of the mark, the lira, the franc... and so it is natural for the clearing dollar to be linked to the basket, and not just to the hard dollar. Admittedly, the clearing dollar has now fallen somewhat more because of that. That is a consequence of the growth of the hard dollar, but such a situation did not exist 2-3 years ago...

[INTERVJU] Was Serbia then demanding settlement according to the basket of currencies?

[Mitrovic] Yes. Times change, and one should be as adaptable as possible.

[INTERVJU] If Serbia, thinking that it has been harmed, will not agree to the new method of calculating the clearing exchange rate, can that change take place?

[Mitrovic] No. The foreign exchange law is adopted by the Chamber of Republics and Provinces of the Yugoslav Assembly, with the concurrence of all the federal units.

[INTERVJU] How much will postponing payments for 60 days and reducing the clearing exchange rate contribute to reducing trade with the Soviets, regardless of how much the FEC has claimed that its goal is not such a reduction?

[Mitrovic] No one can allow that; it is not in anyone's interest. If we reduce trade with the Soviets, we reduce the amounts of oil, gas, aluminum, cellulose, nickel... strategic raw materials, which constitute 85 percent of our imports.

I assert that with fully balanced trade with the Soviets, because of the structure of our exports and imports, the greenest dollar is precisely the one from that trade, and not from tourism.

[INTERVJU] Is the intention still to postpone payments for 60 days?

[Mitrovic] It does not have to be either 60, or 10. We are proposing that there be an offset. If some enterprise exports and imports from the USSR, why shouldn't it offset them, instead of first collecting payment for its exports without paying for its imports? Let a commercial bank which has several importing and exporting enterprises resolve amounts outstanding and debts among them. Let the third step be the national banks of the republics and provinces, and only then the NBY, and not have the NBY be the first and only step, as it is now.

[INTERVJU] To what extent is that in accordance with Serbia's position that exporters should at the same time be importers?

[Mitrovic] That would not be good, because it would be necessary to concede and sell the certificates that exist. It would be good under the 1983 foreign exchange law, but not under this one... That was the law that was based on national economies? Yes.

[INTERVJU] Finally, how certain is the transition to convertible payment with the Soviets? There have been criticisms from Serbia that it will lead to a reduction in trade.

[Mitrovic] That is true. There were reductions in trade with Hungary, Romania, Bulgaria, and Poland when

there was a transition from clearing to convertible payment, although, again, there was no true convertible payment. Neither we nor the Soviets are ready yet for convertible payment. We have to prepare for it. It was agreed that that problem would be studied, and that if possible, we would shift to convertible payment in 1996.

Exports to the Clearing Area			
(In Millions of Dollars)			
Area	1 Jan-26 Jun 1988	1 Jan-26 Jun 1989	Clearing as Percent of Total Exports
Yugoslavia	1,350	1,339	23.1
Bosnia-Herzegovina	181	236	26.8
Montenegro	28	33	26.8
Croatia	348	316	25.4
Macedonia	75	74	26.2
Slovenia	233	261	16.2
Serbia (total)	483	440	25.6
Vojvodina	99	98	25.1
Kosovo	26	34	30.6

[Box, p 6]

Serbia and Clearing

The Serbian Economic Chamber has been serious concerned with clearing, especially trade with the USSR. Here is an abstract of some of its materials.

The materials mention that for years, Serbian exports of goods were about 40 percent of trade with the USSR, and its share in imports from that area was about 30 percent. In the first 5 months, those figures were 23.7 percent and

15.2 percent, respectively. Because of the change in the exchange rate of the clearing dollar, the materials say that income was transferred from the exports to the larger importers. Oil was particularly mentioned, but after the "reunification" of Serbia the situation has changed there as well, because Vojvodina is receiving significant amounts of oil.

It is assumed that Serbia has a 40 percent share in the credit balance with respect to the Soviet Union, which amounted to \$1.457 billion on 10 July. That is only an assumption, the materials say.

In order to solve the problem of the Soviet debt, Serbia has proposed the following: reducing tariffs for imports from the USSR, penalizing those who do not import on time, transferring credits, gasifying Serbia, regulating the Morava basin, finishing the steelworks at Smederevo, building a metro in Belgrade, expanding thermoelectric power stations, importing equipment for oil production, converting the \$555 million Soviet debt into joint investments in the USSR, the possibility of part of the Soviet debt being bought back, importing electricity for export, financing imports from the USSR, determining trade with the USSR for 1990 first at the level of the republics with a mandatory linkage of exports to imports, building factories for food, consumer goods, and construction materials in the USSR, jointly producing industrial computers, and cooperating in the aviation industry...

The Economic Chamber's positions state that the longest postponement of payment for exports to the clearing area can be 15 days, that for the time being a transition to convertible payment with the Soviets is unacceptable, that the value of the clearing dollar should be the same as that of the hard dollar, and that the exchange rate should be set on the same day as other currencies.

CZECHOSLOVAKIA

Concern About Rising Gypsy Criminality*24000191 Prague SIGNAL in Czech 21 Aug 89 p 20*

[Article by Emil Kucera: "A Purely Common Problem"]

[Text] Crime committed by the Gypsy population has been rising constantly and is reaching undesirable proportions. In 1988 citizens of gypsy background accounted for 20.6 percent of the Slovak Socialist Republic's overall crime rate. Thus they were responsible for one out of every five punishable acts. It is an alarming statistic when we realize that they represent barely five percent of the total population.

Are the Romany people committing crimes of a different kind than the rest of the population? This was the first question which interested us on the subject. In contrast with the past when certain differences did exist (for instance theft of horses, barnyard fowl, farm products and the like), today crimes committed by Gypsy and non-Gypsy perpetrators are virtually identical. Yet certain kinds of crime connected with a different life style are more frequent among Gypsies. In particular, these are: parasitism (31.2 percent of this category's total crime), sexual abuse (48.6 percent), rape (33.1 percent), robbery (65.7 percent), burglary (30.6 percent), simple theft (32.8 percent), pickpocketing (79.5 percent—here adolescent and underage perpetrators have the predominant share) and last but not least, criminal acts involving endangering the moral education of minors (56.2 percent). A study of the criminality problem among persons of Gypsy background has confirmed that a key role is here played by the influence of the traditional Gypsy multigeneration extended family and its peculiar system of greatly different values, norms and behavior models. We have here especially crime committed by family members, as a rule a negative attitude toward work and education, idleness during spare time, improvident handling of financial and material means, and the like. A parasitic lifestyle of the family's male head and sometimes also of other adult members of the household, the large size of families and excessive consumption of alcohol result in material poverty and a low standard of living of a great many Gypsy families. This frequently leads them to obtain ordinary necessities or small amounts of money by theft or pilfering socialist property. It is apparently a historically conditioned residue from the time the Romany people were still leading a nomadic life and theft was one of their few opportunities to secure a livelihood.

They steal mostly in an unorganized, individual manner and the damage they cause is usually not great. But in recent years we have seen signs of group and organized theft activity by persons of a Gypsy background. Especially in the larger towns there have emerged groups usually formed by members of several extended families.

They commit a variety of crimes—speculation, smuggling of deficit goods (taking advantage of their connections and contacts abroad with persons of a Gypsy background, but with others as well), illicit enterprising, violations of the State foreign currency rules, and so on. In these cases the damage caused to society is considerable and the criminal activities have a very harmful social impact.

In groups they are much more audacious. They undertake great efforts to obstruct investigation of their criminal activities and cases are known even of attempts at bribing, intimidating and extorting witnesses, including efforts to influence the organs involved in the criminal proceedings. Thus in one case a Gypsy citizen's criminal activity caused damage exceeding 200,000 korunas. During the trial his family put up the entire amount of the damage he caused to society, down to the last penny, and requested that he be left unpunished. They argued that there is no reason to punish their relative, now that the State has not incurred any loss. In a group they frequently resort to various forms of pressure to push their demands. We have met a physician who had some time ago been given a choice by a Gypsy citizen: if he refuses to certify him for disability, the doctor's family "will pay for it." But if the doctor provides the certification, even though the man is in virtually perfect health, he will get a sizable sum "in payment for his trouble." In this case it is the sequence of the offers which is remarkable: first less, and only then a more lucrative one. It deserves noting that the Gypsy citizen was assisted in his attempt by other family members including infants. When the doctor reported the matter to the security organs, all of them steadfastly denied it and since he had not witnessed...

But let's go back to the beginning of this report in which you were probably startled by the large number of morals offenses; I will therefore have a few more words on the subject. The incidence of morals crime reflects a certain "culture" among people of Gypsy origin, especially where they live in high concentration. There, actual cohabitation with women, more precisely girls under fifteen years of age, often surfaces only when it results in a pregnancy. From the point of view of Gypsy morality this is nothing reprehensible; rather, it's even acceptable. But society has a different view of the matter.

Another specific feature of Gypsy criminality is unquestionably the use of children in the commission of criminal acts, as is a spontaneous solidarity in sheltering perpetrators from among their ranks, shifting the blame on those who are more likely to escape punishment (for instance minors) and who may even serve a sentence, naturally for a reward. Gypsy children growing up in a bad social environment are often motivated to engage in crime in order to obtain simple necessities, food, drink or some special delight, or get the money for buying them. It is not unusual that children are directly encouraged, used or even "trained" by their parents in petty theft, in towns mostly pickpocketing. This is confirmed also by the fact mentioned earlier that persons of Gypsy

origin are responsible for nearly eighty percent of theft from pockets, in the vast majority committed by minors and adolescents. In this way they start on their "criminal career" and form an undesirable reserve supply of recidivism.

The fact that a large number of young Romany citizens end their obligatory school attendance in the lower grades makes it rather difficult to place them in apprentice or work positions. There is declining interest on the part of economic organizations in unskilled or problem workers. In okreses with a larger Gypsy population, such as in the East Slovak kraj, the situation in this regard is especially complicated.

Disinterest in work, lack of financial means and trying to obtain them without working and instantly, leeching off the work of other adult members of the family, a low moral and cultural level—this is what underlies the criminal activity of Gypsy youths.

It is shocking to see the constantly growing share of girls in Gypsy criminality, either participating in violent crimes and robberies, or themselves committing them! The situation becomes complicated because preparing girls for a work skill and bringing them into the employment process is often rendered difficult by pregnancy at an early age.

Prevention of further criminality among juveniles of Gypsy origin consists precisely in giving them a thorough vocational training. It is important that children and juveniles are as much as possible removed from the crime-fostering environment of certain families. Thus it is desirable to organize for them a full-day educational

program encouraging their interests, in schools, groups and clubs so as to ensure a purposeful use of spare time.

In cases of unavoidable criminal prosecution experts envisage a possible preventive effect, among other measures, also in combining prison time with protective education which could extend to the nineteenth year of age, especially insofar as this would make it possible to complete a vocational training. But this requires not only improving the protective education itself, but also elimination of problems connected with carrying out this protective measure.

On release from prison and protective education it is necessary to make sure that the juvenile is not returned to the environment which made him a "jailbird" and to guide him toward a suitable work environment. Yet these two basic requirements are actually no more than a dream. Reality, alas, is different. Such a young person in most cases returns willy nilly to the old track and "chugs along"...

The report on criminality among people of the Gypsy origin does not conclude on an overly optimistic note, yet unfortunately it is realistic. Although the Party and State organs are devoting an ever increasing attention to the issue of social integration and raising the cultural level of the Gypsy fellow citizens, their crime rate continues to grow and constitutes a sort of a barometer of the efficacy of social intents and measures.

Both the Federal and the SSR Governments have in recent years adopted a number of documents targeted on these issues, which more or less impinge on the life of the Gypsy population. Some have yielded results, others would need a review, amendment, or more precision.

END OF

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